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THE FORBES INTERNATIONAL 500 SURVEY

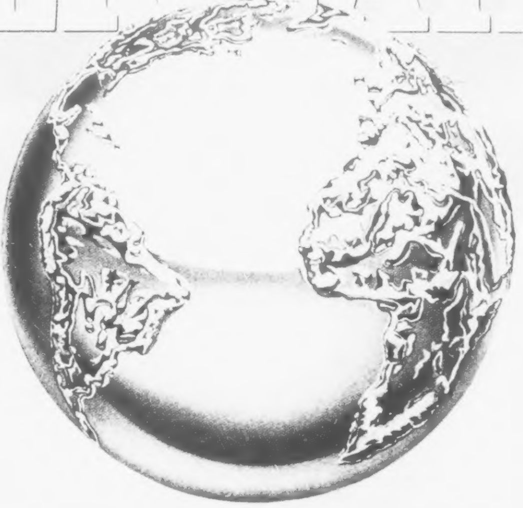
DALLAS' RUSTY ROSE, THE INSIDER'S INSIDER

JULY 24, 1989

THREE DOLLARS SEVENTY-FIVE CENTS

Forbes

THE WORLD'S BILLIONAIRES



FEW OF THEM ARE HOUSEHOLD NAMES
BUT THEIR INFLUENCE IS PERVASIVE

WHO ARE THEY?

WHERE ARE THEY FROM?

HOW DID THEY MAKE IT?

AND WHY ARE MOST OF THEM EXPANDING
THEIR U.S. INVESTMENTS NOW?

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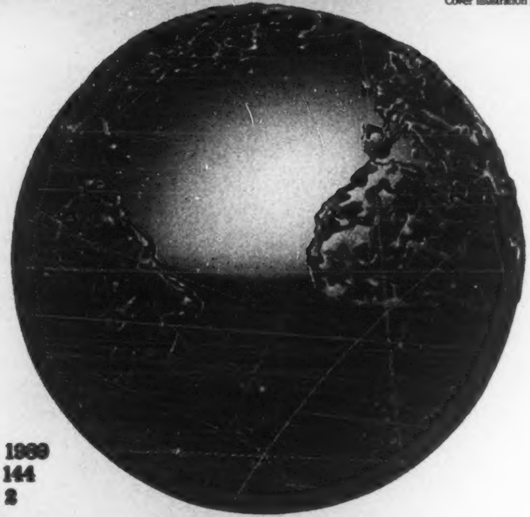
Forbes

Cover illustration by John Harwood



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JULY 24, 1989
VOLUME 144
NUMBER 2

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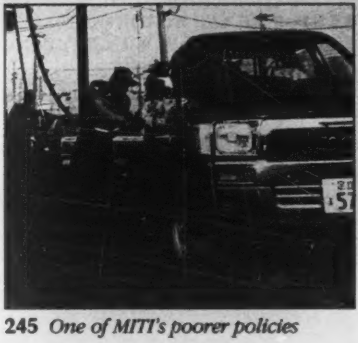

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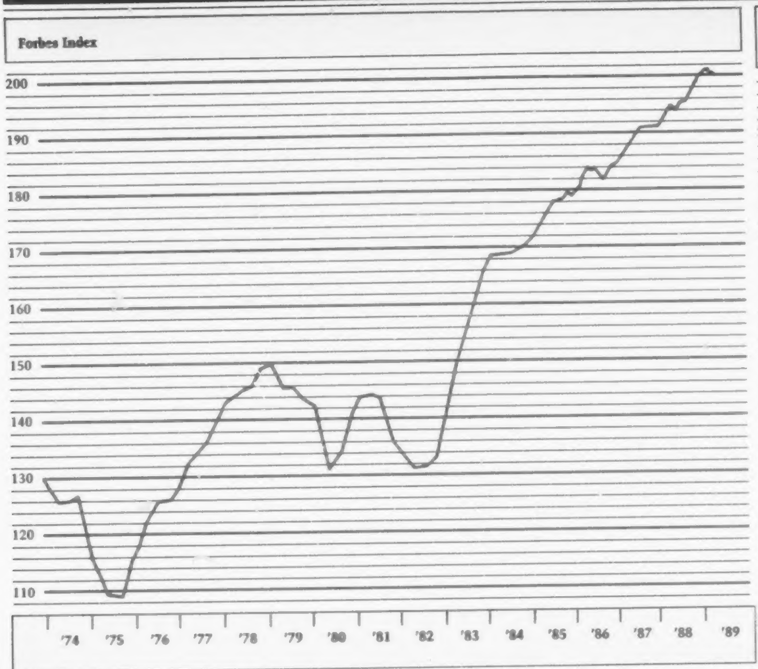
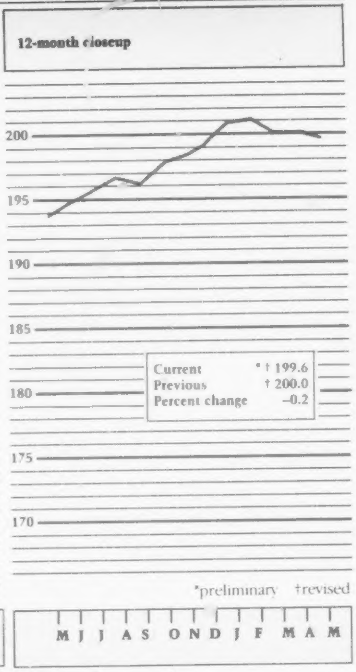
The Forbes Index





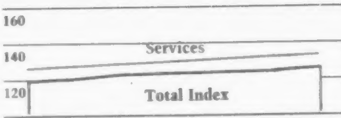
Most of the news isn't good. The preliminary figure for the Forbes Index in May shows a 0.2% decline. Should May end up in the loss column it would be the third decline in nine months. Though the Forbes Index reached a record high in February, it has gained only a minuscule 0.3% since the start of the year. Meanwhile, the government's index of leading indicators dropped 1.2% in May, with 9 of 11 components declining in the month.

Some economic indicators did show improvement in May. Personal income increased 0.2%, to $2.62 trillion, and the unemployment rate fell to 5.2% from 5.3%. The second revision of first-quarter gross national product indicates the economy expanded at a 4.4% annual rate against the earlier estimate of 4.3%.

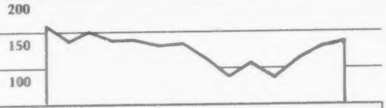
The Forbes Index Components

The Forbes Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

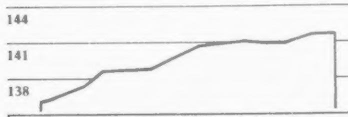
To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 14 months' data for each series are presented at right.



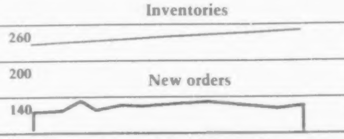
Consumer price indexes (1982-1984 average = 100) all urban consumers, unadjusted (Dept. of Labor)



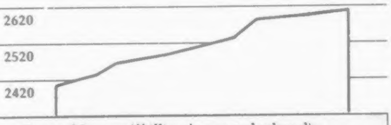
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



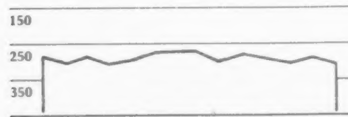
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



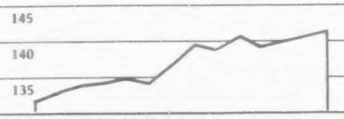
Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)



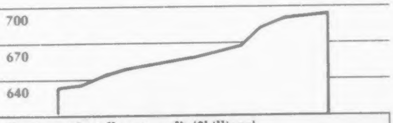
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)

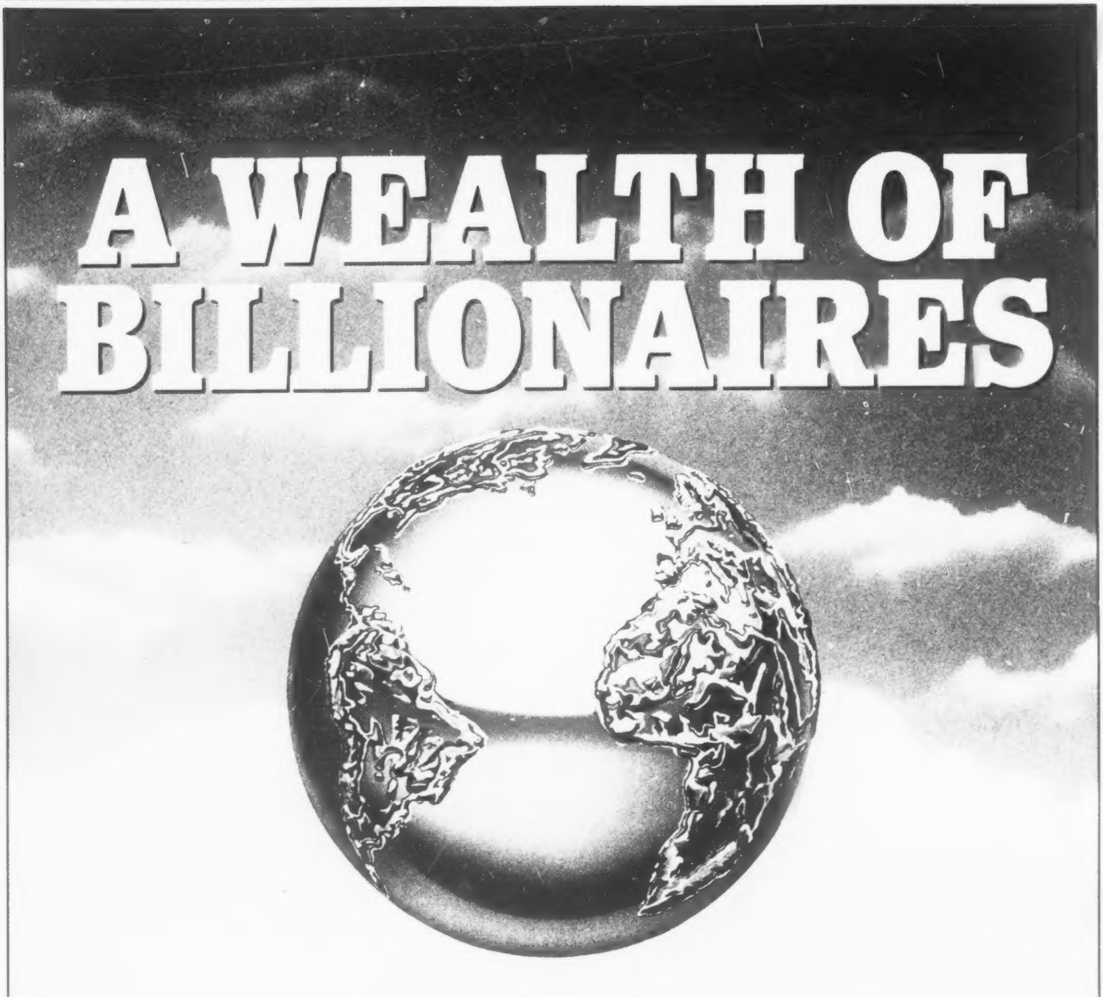


Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

A WEALTH OF BILLIONAIRES



By Harold Seneker

IF YOU LAID ALL the world's billionaires end to end, you wouldn't have a long line, but you would have an extraordinarily influential clan: a wealth of billionaires, if we might put a collective noun to this group.

Voyeurism aside, why should intelligent business people care about these megawealthy? Because from the stories and histories of these 89 men and 3 women and 52 family groups there is much to be learned about global business trends.

Take the hypermarket concept in retailing, now being tried in the U.S. Why did it succeed for the Weston family's George Weston Ltd. in western Canada but flop in eastern Canada? The Reichmanns, to take another example, have a reason for building in London that matters to Wall Street—London's ever-growing financial power. And in Taiwan, Y.C. Wang has concluded that it makes sense to supply his island with petrochemicals from Texas. The early experiences testing the investment waters in the communist world on the part of Sweden's Kamprad, Italy's Berlusconi, Korea's Chung, Hong Kong's Li Ka-shing and Britain's Robert Maxwell will be watched closely by anyone tempted to follow them.

What is sometimes overlooked is just how widely diffused the influence of the billionaires has become. Imagine a corporate executive in downtown New York,

What is sometimes overlooked is just how widely diffused the influence of the foreign billionaires has become.

Los Angeles, Seattle or Chicago. His firm quite possibly rents office space from Canada's Reichmann brothers, Japan's Shigeru Kobayashi or Britain's Duke of Westminster.

Do you read the *American Banker?* Did you know it is owned by Canada's Kenneth Thomson?

Or how about the recent stock market rumor that ran Hilton Hotels up ten points. The rumor was that Japan's Tsutsumi brothers were bidding against each other for the company. Brother bidding against brother? See page 172.

Are you a tennis player? The balls might be Spalding—Venezuela's Cisneros family bought that company in 1984. Do you drive a BMW? Did you know that West Germany's Quandt family owns the company? A Hyundai? That's part of the empire controlled by South Korea's Chungs. Your Chevy may well contain parts distributed by AI International, owned by the Al-Ghanims of Kuwait.

When you travel, do you or does your travel agent consult the *Official Airline Guide?* Since last year it has been owned by the Czech-born British billionaire, Robert Maxwell. Gambled at Las Vegas' Dunes Hotel? It is owned by Japan's Masao Nangaku.

We don't merely chronicle how these people got their wealth; we follow up on what they are doing with it now. And we keep turning up new billionaires; the new entries are indicated with a star.

How have we found and measured our wealth of billionaires? We use a straightforward yardstick: Any individual or family with a net (i.e., after debt) worth of $1 billion or more makes the list. To assess the value of properties we use recent stock prices, comparable real estate valuations, price/earnings multiples and currency exchange rates.

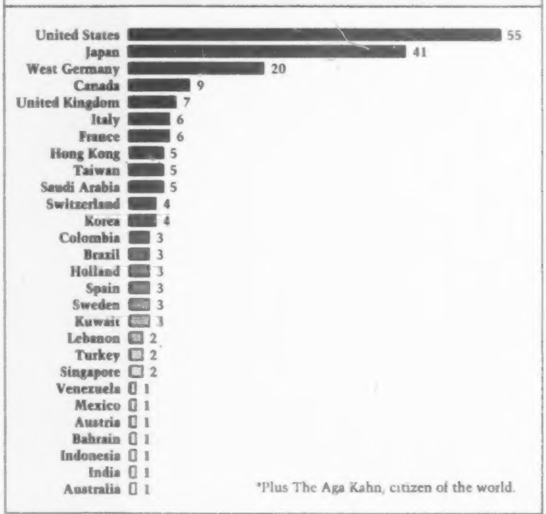
Since wealth abroad is sometimes held in complicated ways designed to retain control or bypass various taxing authorities, we count property as owned if it is involved in obvious devices for ownership, like family holding companies or cross-ownership, and sometimes less obvious ones, like certain foundations designed merely for tax avoidance.

One big difference between our billionaire group and what you sometimes see in other magazines is our exclusion of royal families and heads of state. No Queen Elizabeth; no Sultan of Brunei (but see page 264); no Kim Il Sung. For all the charming gossip they generate about harems and fancy palaces, these are feudal fortunes, not capitalistic ones, and so are outside our view.

Note, too, that some foreign business notables who get a lot of press because they are widely assumed to be "billionaires" aren't. (See "A few who failed to make the list," page 211.)

Finally, a word on the U.S. billionaires: The net worth estimates given have been updated from our latest listings of the 400 richest Americans to take account of recent stock market prices, but the figures—and the list itself—are preliminary. For our deeper analysis of American billionaires and billionaire families, see the eighth annual Forbes Four Hundred, which will appear in October.

Billionaires per country*



*Plus The Aga Kahn, citizen of the world.

Meanwhile, back in the U.S.A.

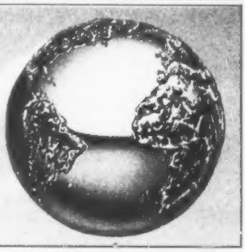
The U.S. continues to hold the world lead in billionaires, with 55 identifiable individuals having a net worth estimated at over $1 billion as we go to press. That compares with 41 from second-place Japan—where stratospheric real estate prices account for 18 of the billionaires—and 20 from third-place Germany. But even the 55 are not the whole story. Below are 27 additional American families, comparable to the foreign families included on these pages, who also have combined net worths exceeding $1 billion. They and others will be covered in detail in the eighth annual Forbes Four Hundred, appearing in October.

Sam Walton and family	$8.7 billion
Warren Edward Buffett	$3.5 billion
John Werner Kluge	$3.2 billion
Henry Ross Perot	$3.0 billion
Samuel Irving Newhouse Jr.	$2.6 billion
Donald Edward Newhouse	$2.6 billion
Henry Lea Hillman	$2.5 billion
Sumner Murray Redstone	$2.5 billion
Ted Arison	$2.5 billion
Lester Crown	$2.4 billion
Barbara Cox Anthony	$2.3 billion
Anne Cox Chambers	$2.3 billion
Jay Arthur Pritzker	$2.2 billion
Robert Alan Pritzker	$2.2 billion
David Packard	$2.0 billion
Donald Leroy Bren	$1.9 billion
Adolph Alfred Taubman	$1.9 billion
Harry Brakmann Helmsley	$1.7 billion
Marvin Harold Davis	$1.6 billion
Robert Muse Bass	$1.6 billion
Leslie Herbert Wexner	$1.6 billion
August Anheuser Busch Jr.	$1.6 billion
Samuel Jayson LeFrak	$1.5 billion
Ronald Owen Perelman	$1.5 billion
Keith Rupert Murdoch	$1.5 billion
Donald John Trump	$1.5 billion
Edward John DeBartolo	$1.4 billion
Forrest Edward Mars Sr.	$1.3 billion
Forrest Edward Mars Jr.	$1.3 billion
John Franklyn Mars	$1.3 billion
Jacqueline Mars Vogel	$1.3 billion
Edgar Miles Bronfman	$1.3 billion
Leonard Norman Stern	$1.3 billion
Ray Lee Hunt	$1.3 billion
Charles F. Feeney	$1.3 billion
Carl Celian Icahn	$1.2 billion
Laurence Allan Tisch	$1.2 billion
Preston Robert Tisch	$1.2 billion
Margaret Hunt Hill	$1.2 billion
Walter Hubert Annenberg	$1.2 billion
Stephen Davison Bechtel	$1.2 billion
William Redington Hewlett	$1.1 billion
Kirk Kerkorian	$1.1 billion
Edward Lewis Gaylord	$1.1 billion
William Henry Gates III	$1.1 billion
Charles de Ganahl Koch	$1.1 billion
David Hamilton Koch	$1.1 billion
Harold Clark Simmons	$1.1 billion
Philip Frederick Anschutz	$1.1 billion
David Rockefeller	$1.1 billion
Michael Robert Milken	$1 billion +
Sid Richardson Bass	$1.0 billion
Lee Marshall Bass	$1.0 billion
William Bernard Ziff	$1.0 billion
Donald Worthington Reynolds	$1.0 billion

Additional U.S. family fortunes estimated over $1 billion

du Pont family	$10 billion
Hearst family	$3.8 billion
Mellon family	$3.4 billion
Getty family	$3.4 billion
Dorrance family	$3.1 billion
Cargill/MacMillan family	$2.8 billion
McCaw family	$2.2 billion
Chandler family	$2.1 billion
Bancroft family	$1.9 billion
Phipps family	$1.9 billion
Ford family	$1.7 billion
Lilly family	$1.7 billion
Upjohn family	$1.5 billion
Lauder family	$1.4 billion
Rudin brothers	$1.4 billion
Milliken family	$1.4 billion
Cullen family	$1.3 billion
Nordstrom family	$1.2 billion
Hall family	$1.1 billion
Weyerhaeuser family	$1.0 billion
Blaustein family	$1.0 billion
Weis family	$1.0 billion
Durst brothers	$1.0 billion
Allen family	$1.0 billion
Hoiles family	$1.0 billion
Bacardi family	$1.0 billion
Wattis family	$1.0 billion

THE AMERICAS



Finally, some bad news for drug lords

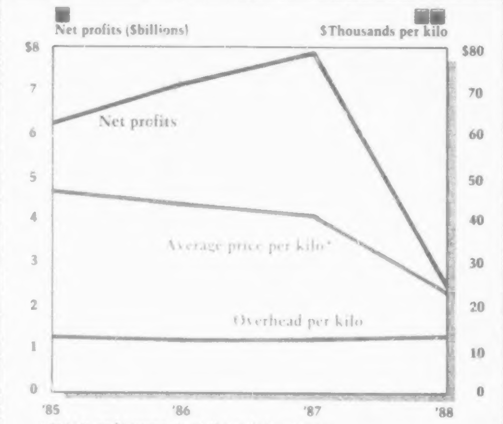
Eventually it happens to any growth business: Profit margins get squeezed. Judging from key U.S. government data on the cocaine trade, it's happening now to the billionaire drug merchants on these pages. FORBES calculates profits have plunged by almost 70% since 1985. Today's profits are still enormous: The cocaine cartels' net margins are probably 40%. But margins used to be on the order of 70%.

What's causing the squeeze? Since 1985 the average price per kilo in the U.S. has been cut nearly in half, to $22,500 (wholesale) last year. While rising sales volume has made up for some of the squeeze, worldwide production of coca in the key supplier countries—Peru, Colombia, Bolivia, and Ecuador—has increased by only one-third, meaning there simply isn't enough cocaine alkaloid available to expand supplies that much. Meanwhile, delivery costs are rising, delivery costs including such items as hiring gunmen and paying off crooked officials.

Cocaine prices in Europe, once $55,000 a kilo, are still ahead of U.S. prices, but are now dropping even faster than they have in the U.S., where they have stayed firm so far this year. Meanwhile, seizures in the U.S. and Europe have more than doubled since 1985, to almost 60 metric tons last year, costing traffickers some $600 million—which also increases overhead. And this year seizures are up again.

The best drug news of all is this: There are signs that demand for cocaine in much of the U.S. is actually shrinking, mainly because more people are realizing that drugs are a dangerous plaything. Coke has gone out of fashion on Wall Street, in Hollywood and around Biscayne Bay. According to an annual University of Michigan survey, this year 8% of high school seniors nationwide said they use cocaine. That is a sickeningly high figure. But it's down from an even worse 13% just two years ago. Crack use also fell, to 3.1% from 4%.

Maybe that's why Colombia's vicious lords are investing in farmland. It's not that they are going straight, just diversifying against market risk.—**Claire Poole**



* In U.S. and Europe, as of the end of each year.
Source: Drug Enforcement Administration, State Department, FORBES estimates

COLOMBIA

GONZALO RODRIGUEZ GACHA

Gacha For Warlord

On May 1 Rodriguez Gacha's 19-year-old son, Freddy Gonzalo Rodriguez Salades, was arrested at the Medellin airport. No cocaine was found on the small aircraft he was piloting. But an arsenal of firearms was. He was released last month on a technicality—is anyone surprised?

The Gachas kill people for a living—mostly with cocaine, but also with guns. Their huge drug profits have started flowing into legitimate businesses: Over the past decade Gacha and other "narco ranchers" have invested billions in Colombian real estate—by one estimate, about one-twelfth of its productive farmland.

Gacha's henchmen are also taking over local politics. In mayoral elections last year in the Magdalena region, Gacha associates gained control of five city governments. Heavily armed, Gacha now has a base for what could become a new drug quasi-state.

Their influence reaches even into New York City. Undercover Drug Enforcement Administration agents last July arrested three members of Gacha's New York distribution network, seizing 1,350 pounds of pure cocaine. This upset "the Mexican," as Gacha

Carlos Humberto-TDC Contact

Gonzalo Rodriguez Gacha

is called. Three months later New York Mayor Ed Koch and Robert Stutman, who heads the DEA's New York office, became the objects of three Gacha-hired hitmen, who were arrested in midtown Manhattan.—**Claire Poole**

OCHOA FAMILY

Still At Large

The Colombian authorities let cocaine capo Jorge Luis Ochoa Vasquez get away twice—in 1986, when he was extradited from Spain and later set free, and in 1987, when he bought his way out of jail with the help of a bumbling Bogotá prison official.

Sygma

Jorge Luis Ochoa Vasquez

Last year Ochoa apparently had good luck with U.S. authorities, too. Richard Gregorie, former chief assistant U.S. Attorney in Miami, says the State Department scrapped a plan to lure Jorge and his brother, Fabito, into a neighboring country, which was to arrest them and then hand them over to the U.S. But, says Gregorie, the U.S. ambassador to the participating country, claiming concern for the safety of Americans doing business there, "had a fit" when he learned of the plan, and quashed it. "It was the last straw," says Gregorie, who quit to go into private law practice.

FORBES has learned the country was Venezuela; the ambassador, Otto J. Reich. Reich won't confirm or deny that he was involved, but asks rhetorically: "If we had an opportunity to capture a major drug trafficker in a well thought out operation with full cooperation of the host country, do you think we would give it up?"

Jorge Ochoa, like his cartel cohort Gacha, is expanding in the New York area to further increase his family's estimated $2 billion in accumulated drug profits. On Long Island last summer the DEA seized 6,000 pounds of cocaine, worth around $500 million on the street, hidden in cartons labeled "unsweetened Ecuadorean coca chocolate." Ochoa's markings apparently were on them.—**Claire Poole**

PABLO ESCOBAR GAVIRIA

Presidente Don Pablo?

Escobar Gaviria's former partner, Carlos Lehder, is in a U.S. jail, but Escobar, the notorious head of the Medellín cocaine cartel, proves elusive as ever. Last February Colombian authorities, in Operation Primavera, busted 26 cocaine manufacturing sites and confiscated 1.3 tons of cocaine in both base and finished form as well as enough chemicals to make 104 tons more. But at Escobar's Hacienda Napoles, near Medellín, the cops found little more than the drugster's three caged elephants. Escobar, as he had done a dozen times before, escaped again.

Not so lucky was Felix Gallardo. He was Mexico's biggest drug lord, and trafficked for Escobar. Gallardo, caught at his Guadalajara home in April by Mexican authorities, shipped more than 4 tons of cocaine across the U.S.-Mexico border each month.

The best way to stop Escobar from further adding to his wealth—now estimated at more than $3 billion—is to find and arrest him, and extradite him to a U.S. court he can neither buy nor intimidate. But even the State Department admits that extradition isn't likely. Colombia hasn't even properly ratified its extradition treaty, which was suspended in 1987.

When will the extradition treaty be ratified? Probably not soon. As Escobar late last year told a young woman reporter who managed to find him when government forces couldn't: "The people accused of drug trafficking are the only ones investing in our country. It'll be shown that the people are for legalization [of drugs] and amnesty [for traffickers]." It sounded as if Don Pablo were running for *presidente.*—**Claire Poole**

Sygma

Pablo Escobar Gaviria

VENEZUELA

THE CISNEROS FAMILY

Venezuelan Cosmopolites

★ One of Venezuela's richest families, the Cisneros brothers have been expanding their interests overseas for most of this decade. Last year they acquired 7% of the U.K.'s Mountleigh Group and 4.3 acres of London real estate, including Paternoster Square, an office and retail complex next to St. Paul's Cathedral. Now the Cisneros boys are looking for local partners to help with the development. Gustavo Cisneros, 44, the current family patriarch, explains: "With the Common Market opening up, we believe London will be the most exciting real estate market in the world. So we are trying to locate partners from whom we can learn."

Gustavo and Ricardo Cisneros

In the U.S. the Cisneros brothers have bought Questor Corp., which includes Spalding, the sporting goods company, and Evenflo baby products. They are licensing the Spalding name worldwide, especially in Japan and the Far East.

But the brothers have not turned their back on their own country, and recently invested $280 million for 40% of a local aluminum processor. Says Cisneros, "Venezuela is really like Korea was 10 or 15 years ago."

Like most capitalists in the developing world, the Cisneros family came from humble beginnings. In 1929 Diego Cisneros was a teenager working for a car dealer in Caracas. He borrowed money to buy a chassis for an old dump truck, which he converted into a bus that was the beginning of Organización Diego Cisneros. The big break came in 1940 when Diego and his brother Antonio won the Pepsi franchise for Venezuela, sweetened it to local tastes and undercut Coca-Cola on price. Pretty soon Pepsi was number one in Venezuela, and the Cisneros' company was the largest independent Pepsi franchise in the world. With the cash flow, Diego branched out in all directions. The founder died in 1980, but Organización Diego Cisneros now touches almost every part of Venezuela—media, supermarkets, beverages, baby food, health and beauty aids, records, packaging, and the former Sears' stores (now called Maxy's). Later came exclusive rights to Apple Computer and Digital Equipment, and Burger King and Pizza Hut franchises.

Gustavo runs the business with his brother Ricardo, 40. A cosmopolite who travels the world with a personal fitness trainer and owns Richard Nixon's old Fifth Avenue apartment, Gustavo and his family are new to our list this year. Estimated family fortune: $1.2 billion.—**Claire Poole**

BRAZIL

ANTÔNIO ERMÍRIO DE MORAES AND FAMILY
Businessman Of The Decade

Brazil should prepare "for the worst," Antônio Ermírio de Moraes warned in a press conference in Brasília late last year. "As in 1964, the specter of a military coup prowls around the presidential palace because of the civilian government's inability to overcome the economic crisis."

Belying his pessimistic outburst, Ermírio continues to show great confidence in Brazil's future. Ermírio's family's Votorantim is the largest industrial group in Brazil. The $2 billion (revenues) company last year acquired a paper company, announced construction of a brand-new hydroelectric plant (the group already has at least 18 in operation), and entered the orange juice business, where it expects to produce 100,000 tons a year.

Augusto F4/Picture Group

Antônio Ermírio de Moraes

Last year *Gazeta Mercantil*, Brazil's leading business publication, elected Ermírio "Businessman of the Year." It was the tenth year in a row he won the award.

Votorantim was founded in 1918 by Antônio Pereira Ignácio, a Portuguese shoemaker. Today the group is equally owned by four members of the third generation. They are Antônio, 61, and his three siblings: José Ermírio Jr., Ermírio Pereira and Marie Helena (represented by her husband, Clóvis Scripilliti). Behind them are 23 cousins eligible for running the $1.5 billion family fortune.—**Patrice Duggan**

ROBERTO MARINHO
Press Lord

Nothing better illustrates the growing sophistication of Third World economies than this: Roberto Marinho, one of Brazil's biggest capitalists, is invading Europe. His company, Globo, has been exporting its *novelas* (soap operas) to some 90 countries (they're dubbed or subtitled). Now Globo wants partners in Europe. The aim is to grab more of the EEC's TV programming market by 1992. Globo is trying to sell the *novelas* to Japanese TV networks (nearly a million people of Japanese descent live in Brazil).

Claus C. Meyer/Black Star

Roberto Marinho

In the 1920s Marinho was writing editorials in Brazil's most important newspaper, *O Globo*, founded by his father. Today he has a more powerful outlet: his Rede Globo TV network, a near-monopoly in Brazil and the fourth-largest network in the world (after ABC, CBS and NBC in the U.S.). Beyond media, Marinho's Globo Organization, based in Rio de Janeiro, owns cattle ranches, shopping centers, a major art collection and much more. Early this year Marinho joined Bahrain-based Arab Banking Corp. (one of Brazil's creditors) to form an investment bank in Brazil.

Privately owned Globo Organization's revenues are estimated at close to $1 billion. After Roberto? Of his three sons, Roberto Irineu Marinho is believed the most likely to succeed his father.—**Patrice Duggan**

SEBASTIÃO CAMARGO
Confident In Brazil

Camargo's $1.3 billion (1987 net assets) construction and engineering conglomerate, Camargo Corrêa, has taken part in Brazil's hugest projects: Brasília in the 1950s; Itaipu, one of the world's largest hydroelectric plants, in the 1970s; and the Amazon hydroelectric plant, Tucuruí, in the 1980s.

Luiz Dantas/Editoria Abril

Sebastião Camargo

In 1987 Camargo Corrêa, long close to Brazil's political powers, had revenues of $2.4 billion.

Now 80, Camargo, who lives in a heavily guarded house in São Paulo, is planning for the 1990s. This year the state of São Paulo announced he had offered to purchase Viação Aérea de São Paulo, a state-owned airline. He is also building a $30 million shopping mall in a wealthy São Paulo neighborhood, where civil disorder and economic disarray seem distant.

Camargo, one of ten children born to a farmer, built the company from scratch out of a small subcontractor he and partner Sylvio Corrêa (who died in 1965) founded in 1938. Today Camargo Corrêa has 33 companies and some 40,000 employees. Camargo hasn't announced retirement plans, but the line of succession is set: Married 43 years, Camargo has three daughters. All of their husbands are in the company.—**Patrice Duggan**

MEXICO

GARZA SADA FAMILY
The Way In Monterrey

The Garza Sada/Garza Lagüera clan is recuperating from Mexico's economic crisis of the early 1980s. They have renegotiated their foreign debts and are again investing in their country.

With the complex restructuring, the family has had to give up some equity. But the value of their holdings in the Monterrey Group, as the overall empire is known, still comes to about $1.9 billion. Alfa is the family's steel and petrochemical combine (sales, $1.6 billion). Visa is its beer (Dos Equis, Tecate) and packaging business ($1.1 billion).

SIPA

Bernardo Garza Sada

With their balance sheets tidied through these equity-for-debt swaps, the Garza Sada enterprises are on the move again. Cydsa, their fibers and plastics concern, bought the remaining 40% in Mexican resins maker Policyd from BF Goodrich, and Alfa acquired Temex, a petrochemical company, from the Mexican government for $200 million. Like Mexico itself, the Garza Sadas seem to have come through the economic crisis bloody but not beaten.—**Claire Poole**

CANADA

KENNETH COLIN IRVING

Lord Of The Maritimes

"Irving owns practically all of New Brunswick," says Montreal money manager Stephen Jarislowsky. "It's one of the last feudal states in the world." Maybe not feudal, but certainly powerful and integrated.

Peter Redman/The Financial Post

Kenneth Colin Irving

Based in St. John, N.B., Irving—vigorous at 90—his three sons and now grandsons preside over a vertically integrated timber and oil empire estimated to be worth $6 billion, and certainly over $4.5 billion. The Irvings get wood from their 3-million-plus acres of timberland; cut it at their sawmills or run it through their pulp mills; ship it in their trucks or ships fueled with gasoline or diesel fuel from their refinery; and reveal what they want to (very little) in their newspapers. As one source close to the family puts it: "They are always their best customers." Their St. John Shipbuilding continues work on a $5 billion frigate contract awarded for the Canadian navy in 1983. All this from K.C.'s original gas station in the 1920s.

The Irvings also make wood products, from tissue to deck furniture. The new U.S.-Canada Free Trade Agreement will soon let them export finished goods tariff-free to the U.S.

Last December Irving Oil bought out Chevron's 49% stake in the New Brunswick refinery. There is no shortage of customers for the refinery's output: Irving Oil owns some 3,000 gas stations in Canada and over 100 in Maine. Last fall the Irvings bought a station in New Hampshire; industry observers speculate that the Irvings will build a gas station chain that will one day stretch down I-95, all the way to Key West, Fla.—**Katherine Weisman**

GALEN AND GARRY WESTON

Rich Brother, Richer Brother

Brothers Galen and Garry Weston are the third generation of their family to preside over an empire now worth some $2.5 billion.

Galen Weston, 48, runs Toronto-based George Weston Ltd., a consumer products, natural resources, food-processing and distribution firm. In Canada's western and prairie provinces, he's had luck opening European-style hypermarkets—sprawling emporia that sell everything from food to furniture to lawn mowers. But when his Loblaw Cos. opened 13 hypermarkets in Ontario and other eastern locations, they bombed.

In the sparsely populated western areas families drive long distances to stock up every two weeks; they're grateful to shop at one store. Easterners enjoy more choices and are unlikely to buy everything in one place. The eastern fiasco caused Loblaw's operating income to fall last year and Weston has broken up some stores, retaining some space for supermarkets and leasing out the rest to Zellers, a department store chain owned by Hudson's Bay, which is also struggling *(see Thomson, below)*. Quite possibly, Weston has hit a limit on hyperstores in North America.

Peter Redman/The Financial Post

Financial Times

Galen and Garry Weston

Garry Weston, 61, lives in London, where Galen often visits to play polo with Prince Charles. Garry's assets include $2 billion in cash he received from selling some pieces of the family's Associated British Foods, like the recent sale of his 15% stake in Gateway Plc. for $485 million. Weston will probably be a serious but prudent bidder at sales of RJR Nabisco—and other—properties.—**Katherine Weisman**

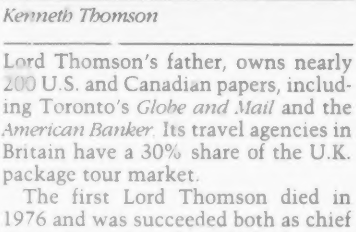
KENNETH ROY THOMSON

Back To Basics?

A billionaire six times over, Lord Thomson of Fleet Street has yet to wring profits from his family's investment in Hudson's Bay Co., the Canadian department store chain. The Thomsons paid about $500 million for a 73% stake a decade ago—about what the investment is worth today.

Elsewhere, all is well in the family's enormous media and leisure-time conglomerate. The Toronto-based company, founded by the present Lord Thomson's father, owns nearly 200 U.S. and Canadian papers, including Toronto's *Globe and Mail* and the *American Banker*. Its travel agencies in Britain have a 30% share of the U.K. package tour market.

Peter Sibbald/Picture Group



Kenneth Thomson

The first Lord Thomson died in 1976 and was succeeded both as chief executive and to the title by his son

Kenneth, now 65. The old man built up North Sea oil assets in the early 1970s, which were sold this year. Profits from these operations helped Kenneth expand the profitable media and travel businesses. The present Lord Thomson has just merged his public Canadian and British companies, making the Thomson Corp., a single entity easily big enough to bid against the likes of Robert Maxwell or Rupert Murdoch. Thomson and family own 68% of the new media combine.—**Katherine Weisman**

ALBERT, PAUL AND RALPH REICHMANN

Aggression Rewarded

"Aggressive" best describes how the Reichmann brothers, still in their 50s, play real estate. Their Olympia & York owns over 30 million square feet of office space in North America, a stock portfolio nearing $5 billion, and a project under way in London that will cost some $6 billion. In just three decades the Reichmanns have built from scratch a fortune now worth an estimated $8 billion.

Steve Benbow/Picture Group

Paul Reichmann

The London project is Canary Wharf—12 million square feet of new prime office space under construction. It will include London's tallest building, plus areas of shops and restaurants. It's risky. The Wharf is outside the City, London's financial district, and existing and planned transit lines may not be able to handle the projected crush of office workers. Olympia & York is waiting for the Thatcher government to approve new road and underground plans to Canary Wharf. As Paul Reichmann puts it: "We believe that London will be the best office market in the world over the next 10 to 20 years."

Meanwhile, back in North America more risks. O&Y now has a 25% stake in troubled Campeau Corp. If the stock stays low, or if Campeau gets into trouble, the Reichmanns may buy more and end up controlling all of the Federated and Allied department stores. —**Katherine Weisman**

CHARLES BRONFMAN

Eclectic Investor

In April 1987 the Bronfman family's CEMP trust was dissolved, effectively breaking the Bronfman whiskey fortune in two parts. Chairman Edgar Bronfman is based in New York and still calls most of the shots at Seagram, the family company. His younger brother, Charles, Seagram cochairman, is based in Montreal and has been busy investing the more than $250 million in cash he received from the trust.

Canapress

Charles Bronfman

Headquartered in Montreal, his Claridge Inc. owns 30% of Cineplex Odeon and a big stake in Crowntek Business Centres, Canada's second-largest distributor of microcomputers. National Claridge, a C$100 million joint venture with Montreal's National Bank of Canada, invests in new or young companies.

"Our interest is in businesses with existing good management that need money for expansion or growth," says Claridge President James Raymond. "We are not venture capitalists, we are merchant bankers. It has to be an existing business with a proven record and good management."

Claridge is only the tip of Bronfman's wealth. He is altogether worth $1.5 billion, most of it Seagram stock. He also takes an active interest in baseball's Montreal Expos, which he owns.—**Katherine Weisman**

EATON FAMILY

No Haggling

★ Timothy Eaton was an Irish farmboy who immigrated to Canada in 1854, and set up shop trading with his brother James in the frontier towns of Kirkton and, later, St. Marys, Ont. In 1869 Timothy and his wife, Margaret, moved to Toronto and opened a dry goods store. Unlike other merchants of the time, Eaton refused to haggle and insisted on selling his goods for cash at one price. He offered an unheard-of guarantee: "Goods satisfactory or money refunded." But he indulged eccentricities. He refused to stock liquor and cigarettes. He challenged traditional shop hours with a 6 p.m. Saturday closing when most stores stayed open until 10 p.m. His wife helped choose the fashions offered to women customers—who flocked to the store.

Eaton's competitors swore he would fail quickly. He didn't fail, but Eaton's nationwide success has been a case of slow, steady, long-term growth, with the first expansion not coming until 1905. Today there are 104 Eaton's stores across Canada, doing an estimated annual volume of $2 billion. And the company, worth at least $1 billion, is still family-owned.

The T. Eaton Co. is now run by four great-grandsons: Board Chairman Frederik Eaton, 51; John Craig Eaton, 52; Thor Eaton, 47; and George Eaton, 44, president.

The heirs are astute businessmen. For a decade they have been closing older freestanding stores and opening new stores in regional shopping centers or multi-use city malls. Wisely, they often build the malls, mostly in joint ventures in which they retain equity of 20% to 33%; they keep debt low. The city centers, typically in the middle of downtown, have been extremely successful. The million-square-foot flagship store is the Toronto Eaton Centre, a joint venture with Cadillac Fairview and Toronto Dominion Bank. With two office towers in it, a third under way and some 40 shops, the center generates sales of C$650 per square foot, twice the mall average in Canada.

John Craig and Frederik Eaton

The Eatons also own just over 51% of publicly traded Baton Broadcasting, a national TV and radio broadcaster; that stake is worth $155 million.

Four generations of family ownership—quite a record. And it shows no signs of ending: A great-great-grandson has worked for Dillard Department Stores in the U.S. to get outside training.—**Katherine Weisman**

UNITED KINGDOM

ROBERT MAXWELL

Now, Make $3 Billion $5 Billion

Robert Maxwell insists that Maxwell Communication Corp. will become one of the world's top ten media empires and have sales of at least $5 billion by the end of 1990. He is in the top ten by some counts. But even after his recent acquisitions of Macmillan Publishing Co. Inc. (for $2.6 billion) and of Dun & Bradstreet's Official Airline Guides ($750 million), Maxwell Communication figures that net of disposals, revenues will come to just over $3 billion—Maxwell is selling some assets to reduce debt.

Derek Hudson Sygma

Robert Maxwell

Although he was constantly in the public prints, 1989 does not shape up as a perfect year for the Czechoslovakia-born British billionaire. He has so far failed to launch his much-publicized pan-European, English-language newspaper. "English," he says, "is not yet the lingua franca of Europe." He adds that Berlitz, the language teaching and translation business that came with Macmillan, was "one of the reasons we bought Macmillan."

Seems Maxwell's attention is shifting to the non-English-speaking world, as he strives to build his planned global media giant. He says he is currently negotiating partnerships in Japan, Italy and Germany; this spring he tried, unsuccessfully, to buy the *Jerusalem Post.* Maxwell says he intends to invest up to $150 million in Eastern Europe. "My successors in the next century will be grateful that we have taken certain positions in those countries," he says.

Successors? Is Maxwell, now 66, thinking of selling out? "Maxwell is 52% owned by the Maxwell Foundation and myself," he snaps. "We will necessarily be the surviving partner."—**Katarzyna Wandycz**

OCTAV BOTNAR

Life Begins at 51

★ Japanese cars have elevated this Briton of Eastern European extraction to billionaire status for the first time this year. Botnar was a late starter but a quick riser. He arrived in England in 1966, age 51. He was an employee of NSU, a German car and motorcycle group since merged with Audi that had the exclusive right to distribute Nissan cars in the U.K. When NSU pulled out of Britain, it gladly sold the rights to Botnar.

Twenty years and 1.5 million cars later, Botnar's Nissan U.K. Ltd. supplies 7% of England's cars and netted £86 million, over $130 million, last year. His distributorship is easily worth $1 billion. In addition, Botnar owns land at the ports of Bristol and Teesside, where the cars are unloaded; the trucks to haul the cars; 200 of the U.K.'s 400 Nissan outlets; and the finance subsidiary, which is bigger than England's Ford Motor Credit. So airtight are Botnar's distribution rights that even Japanese Nissan executives at the plant must lease their company cars from him.

Financial Times

Octav Botnar

By all accounts, Botnar is a fierce autocrat who pays his employees highly. Still very active inside his company, he maintains a low profile outside it. He lives mostly in his house near company headquarters in Worthing, about 55 miles south of London, and keeps homes in London, Lausanne, and on the Costa Brava in Spain. His interests include military history, classical music and gardening. A charity named for Camelia Botnar, the 14-year-old daughter he lost in a car accident, teaches inner-city children about agriculture.

With no apparent heir, what will happen to the company after Botnar, who is now 74? Replied one employee: "He works a full day now, and we're a long way from worrying about that."—**Philip Glouchevitch**

DAVID SAINSBURY

Taking Charge

Most British retailers have fared poorly when they ventured overseas. But J. Sainsbury Plc., Britain's leading (1989 sales, $9.2 billion) grocery store chain, has decided to have a go anyway. By July 1987, Sainsbury completed its acquisition of Shaw's Supermarkets Inc. (1988 sales, $1.4 billion). Based in East Bridgewater, Mass., Shaw's has 61 stores throughout New England.

At home in Britain, there are 400 Sainsbury's stores selling groceries, do-it-yourself and household goods. Now in England and Wales, Sainsbury's next move will likely be Scotland. As 1992 draws near, European companies will be vying for position in markets across Europe. French and German supermarket and hypermarket chains are even bigger than Sainsbury's, and get by on margins of 1% or less—about one-third the level of Sainsbury's net margins. Should the continental food chains move into the

Topham/The Image Works

David Sainsbury

British market, Sainsbury's would probably be forced to cut prices—a form of competition to which Sainsbury's (and other British grocers) are unaccustomed. Much depends on how David Sainsbury, 49, the current deputy chairman, handles the transition. But with his father and uncle as company presidents, and his cousin, Lord Sainsbury of Preston Candover, as chairman, the $3 billion family stake is safe.—**Katarzyna Wandycz**

GERALD CAVENDISH GROSVENOR
Westward Ho!

Descended from William the Conqueror, Gerald Cavendish Grosvenor—sixth Duke of Westminster—oversees his family's $3-billion-plus real estate portfolio. The holdings have been concentrated in buildings in London's Mayfair and Belgravia, and in English and Scottish agricultural land. Lately, the duke, 37, has been increasing his overseas exposure. These investments are made through his Vancouver-based international affiliate, Grosvenor International Holdings Ltd. GIH owns over 70 prime commercial properties outside Britain, primarily in English-speaking countries. It invests through some 30 development and investment partnerships and co-ownerships, mainly with U.K. pension funds as well as Teachers Insurance & Annuity Association in New York.

GIH has invested heavily in the U.S. and Australia, but its preferred city, reports Vice President David Fitzgerald, is Vancouver—"Canada's biggest warm-water port," he says. With thousands of well-heeled Hong Kong Chinese pouring in—including billionaire Li Ka-shing, whose consortium won a bid to develop the 200-acre Expo site—the city is booming. GIH has 24 buildings there, and plans to build more.—**Katarzyna Wandycz**

Homer Sykes/Camera Press

Gerald Cavendish Grosvenor

LORD VESTEY AND EDMUND
National Butcher

Half the butcher shops in England have closed in the last 20 years and a quarter of the rest are expected to close soon, victims of the spread of the supermarket. Bucking the trend is J.H. Dewhurst Ltd., the Vestey Group's 1,400-outlet butcher shop chain—one of England's only remaining national retail butchers. Dewhurst has been installing ovens to prepare cooked meats in its stores. Colin Cullimore, who runs Dewhurst for the close-knit Vestey clan, has reportedly vowed to double Dewhurst's turnover and market share over the next seven years. If he can pull it off, the Vesteys, already worth at least $2 billion, will be richer still.

And their meatpacking plants will have an even larger captive market. The Vesteys also own Union International Plc. (annual turnover, $1.8 billion), which operates major meatpacking plants in Britain; these supply Dewhurst shops as well as the newly popular supermarket meat counters. There are cattle ranches and meatpacking and processing operations, as well as assets in countries on five continents.

Topham/The Image Works

Lord Vestey and Edmund Vestey

The Vestey meat empire, about 100 years old, is run tightly by Lord Vestey (Samuel), 48, and his cousin Edmund, 57.—**Katarzyna Wandycz**

SIR JOHN MOORES
Waiting Out The Cycle

At 93, Sir John Moores is surrounded by speculation that he might take his Littlewoods Organisation Plc. public, so as to facilitate the handling of his estate. A public offering of the soccer pools operator and retail chain was, in fact, rumored last year. But then interest rates climbed and retail sales dropped, and the public offering never happened.

From a financial standpoint, Sir John can certainly afford to wait out the cycle. Selling mainly moderately priced apparel and household goods, the Littlewoods retail chain grossed over $918 million last year—though fierce competition this year will probably cut margins sharply. So far, net margins at Littlewoods' huge home shopping business are holding up nicely at around 6%. Then there's Moores' near monopoly in Littlewoods Pools (a British football betting concern), which he founded in 1923 as his first and most recession-proof business. Understandably, Moores does not want to sell off a life's work in an unsympathetic stock market.—**Katarzyna Wandycz**

ITALY

AGNELLI FAMILY
Arrivederci, Vittorio

With their wealth now estimated at around $3.7 billion, the Agnellis are strengthening their diversified activities. It is a logical decision: Their Fiat Auto has about 15% of the Common Market's auto sales (and 60% of the Italian market), but Japanese carmakers are building plants in Europe in preparation for 1992. In the face of this new competition, patriarch Giovanni Agnelli reigns over a company, Fiat SpA, that makes everything from pacemakers to airplane engines.

Recently, Fiatimpresit agreed to buy Italy's Cogefar to become one of Europe's largest civil engineering and construction firms. Another subsidiary, Maretti Marelli, became one of Europe's largest auto parts makers by buying a majority of France's Matra—if you can't compete with the Japanese, maybe you can sell them parts.

S. Sparavisna-Fornass/Grazia Neri

Giovanni Agnelli

And, in February, Fiat listed its ADRS on the New York Stock Exchange; this could prove especially useful in financing U.S. deals.

Fiat SpA still gets over half its sales and operating profits from Fiat Auto, the automotive subsidiary. But nonauto operations will probably soon equal Fiat Auto's operations. This is the more likely given the surprise departure last November of Vittorio Ghidella, Fiat Auto's brilliant managing director, who masterminded Fiat Auto's recovery in the 1980s. Agnelli-watchers interpreted this as a sign that the family would shift future investments from the auto industry to elsewhere.—**Katherine Weisman**

BENETTON FAMILY

United Markets Of Benetton

With 700 little Benetton sweater shops now licensed in the U.S., and with Benetton Group SpA stock recently listed on the NYSE (Tokyo next year), do they finally know what they're doing in America?

The Benettons

Yes, says Frank Garcia, a hard-nosed lifelong retailer who's holding on to his 23 Benetton licenses in Florida. Benetton had made mistakes, Frank allows. Too many inexperienced licensees along with company high-handedness drew many complaints and lawsuits. The FTC is investigating. Garcia himself laughs—now—at getting his Christmas shipment after Christmas, and finding too many woolen goods, which don't sell in sunny Florida. But Garcia says Benetton has been listening to the experienced retailers: "I'll be able to buy fall colors in cotton."

The Benettons' education has been expensive. In 1988 earnings were flat, while other Italian public companies averaged 20% gains. Hoare Govett analyst Francesca Lolli says Benetton's market has peaked: Younger shoppers are decreasing in number. Older shoppers? "People between 25 and 35 wear casual clothes only on weekends, if they are lucky." So Benetton shoes, underwear, perfume, even home furnishings, are now available at Benetton stores.

The four Benetton siblings parlayed a genius for color, design and a network of small shops into a global phenomenon worth $1 billion. They expect their diversification into financial services (through the family holding company, Edizione) to reach the break-even point this year. And there's the newly acquired Nordica, the ski-boot maker, with 26% market share worldwide, which could let Benetton add fashion-plate skiwear and accessories to go along with the boots. Synergy city. Now you can throw on a sweater, go skiing and be insured all by the same family.—**Katherine Weisman**

"The good drawing room"

Few big deals happen at the top of Italian business without the approval—if not participation—of Italy's premier investment bank, Mediobanca. "Mediobanca has some very powerful friends who are part of a very powerful group," says S.G. Warburg's Tim Orchard. "It's a roll call of who's who in corporate Italy." With all the ongoing merger and acquisition activity in anticipation of 1992, Mediobanca's profile in the rest of Europe and in the U.S. is certain to rise.

Mediobanca's board of directors includes billionaires Giovanni Agnelli, Raul Gardini and Salvatore Ligresti, among others. The traditional director from outside Italy, sent by Lazard Frères & Cie., is Lazard partner Antoine Bernheim.

This commercial power center was established in 1946 by the three state-controlled commercial banks because Italian banking law barred commercial banks from lending medium- and long-term, and from underwriting securities. Enrico Cuccia, now 81, who has headed Mediobanca since its founding, courted the likes of Agnelli, and created what Italians call *Il Salotto Buono*—literally, "the good drawing room." Under Cuccia's careful eye, Italy's corporate elite could quietly meet. Cuccia's present title is "honorary chairman," but few deals are done without his involvement.

Headquartered in Milan, Mediobanca works strictly with Italy's biggest companies. It arranged the merger between Montecatini and Edison—to become Montedison *(see Gardini)*—in 1966. It was responsible for introducing Cesare Romiti to Fiat *(see Agnelli)*, which led to that company's dramatic turnaround after 1980. Like any merchant bank worthy of the name, Mediobanca often takes principal positions itself, and may supply management as well; its backing of and participation in a deal is considered the ultimate stamp of approval.

Today, Mediobanca's assets exceed $7 billion, including $2 billion worth of stock in Italian blue-chip companies, including Fiat, Montedison, Pirelli and Olivetti. And the corporations have acquired pieces of the bank: The state-owned banks kept a controlling 50% until November 1988, when they cut back to 25%.

For all its power and glory, Mediobanca faces a challenging future. Last month Cuccia was indicted with other officers for falsifying financial statements. He has pled innocent; a trial has not yet been scheduled.

More worrying, other investment banks are now active in Italy. These banks—they include Euromobiliare, SIGE and Akros Finanziaria—know they cannot play on Mediobanca's turf. One competitor even fretted to FORBES, "It's difficult to talk about Mediobanca without having some [unpleasant] side effects." But these firms can and do increase their market share by concentrating on Italy's smaller firms.

With 1992 coming, it is likely that foreign investment banks will try to expand their Italian business. But so far Mediobanca doesn't face much foreign competition. Explains a London-based Salomon Brothers spokesman: "It's much easier in Italy to do business as an Italian. Companies are usually family-owned and there are regional customs." And Mediobanca probably won't stray on its own outside Italy.

But as Fiat, Olivetti, Montedison and other established Mediobanca clients continue to expand globally, or if big foreign firms want into Italy, Mediobanca will have to oblige. A new age is dawning, and Mediobanca's Cuccia will have to step nimbly.—**Katherine Weisman**

SALVATORE LIGRESTI

Established

Ligresti has come a long way from his humble Sicilian roots. Through his Milan-based holding company, Premafin, the Ligresti Group controls construction, real estate development, hotels, hospitals, even fine china. Ligresti's Grassetto SpA is a huge construction firm founded in 1902 that has built everything from massive public works and public housing to the luxurious complexes at the Aga Khan's Costa Smeralda resort in Sardinia. Recently, it won the contract for Bologna's new airport. Privately owned and publicly traded, Autostrada Torino-Milano is the main highway between these northern industrial cities; Ligresti owns 50% of the toll road. Then there's SAI, the big insurance company he turned around from near-bankruptcy. And looking toward 1992, SAI has formed a partnership with France's big state-owned GAN. On top of all this, Ligresti, 57, has made a fortune in real estate.

Sergio Ferraris/Marka

Salvatore Ligresti

A few months ago Ligresti drew a 22-month prison sentence for obtaining a building permit through influence peddling. The sentence is currently under appeal. Meanwhile, Ligresti sits on the board of ultraestablishment Mediobanca, and is preparing to take his Premafin holding company public on the Milan stock exchange this fall.

Estimated net worth around $1.1 billion.—**Katherine Weisman**

FERRUZZI FAMILY

The First Farmer In Europe

When last we wrote about Raul Gardini, he was restructuring his family-owned Gruppo Ferruzzi, tearing apart Montedison, the giant conglomerate it controls, and sowing dismay on the Milan stock exchange. In effect, he asked Montedison stockholders to pony up for a subsidiary they figured they already owned and to buy shares in an unknown entity. Even with Mediobanca at his side, the vaguely presented plan was mistrusted.

F. Scianna/Magnum

Raul Gardini

Now the dust has settled. The unknown entity, Ferruzzi Finanziaria (Ferfin), the family holding company, is itself listed in Milan. The subsidiary, Iniziativa ME.T.A., formerly a publicly quoted financial services and retailing concern, went to Ferfin. A ME.T.A. subsidiary, the Standa retail chain, was sold for $650 million to TV magnate Silvio Berlusconi. The Ferfin stock offering went off well, and its shares are up 9% since September.

Montedison is again a pure chemical firm, its former $6 billion debt much reduced, and has formed a joint venture with state-owned ENI, in which they will combine most of their assets and rationalize them, creating Enimont, the ninth-largest chemical company in the world, the better to deal with 1992. The agreement gives Montedison the option to gain control of Enimont by 1992; Gardini says he intends to exercise it.

With all this, it's easy to forget Gardini is not nicknamed Il Contadino—the farmer—for nothing. Agro-industry is the family's roots: He is a son-in-law of the late Serafino Ferruzzi, who built a big, secretive empire out of the ruins and shortages of postwar Italy, and ran it until his death in a plane crash in 1979, whereupon Gardini, now 56, became undisputed family head.

According to Kleinwort Benson's Enrico Ponzone, "In Europe, they are number one [in agriculture], which brings them huge bargaining power in Brussels." Having acquired the U.S.' Central Soya in 1987, and 58% of France's Behgin-Say sugar company, Gardini clearly means to stay that way.—**Katherine Weisman**

MICHELE FERRERO AND FAMILY

How Sweet It Is

Ferrero SpA, the worldwide confectioner, has been improving on its product lines ever since Pietro Ferrero, Michele's father, founded the company in 1946. Michele, 64, who took over in the 1950s, now has a powerhouse competing successfully against giants Cadbury, Nestlé and Mars. It all began when Pietro stretched chocolate candies with hazelnuts because chocolate was scarce in postwar Italy and he was up to his belt in hazelnuts.

A current smash in Europe is Ferrero Rocher, a round concoction of hazelnut, wafer and creamy chocolate. It sells in the U.S., too, where a 1½-inch diameter piece is about 30 cents. Rocher and Mon Cheri, another one of their "change makers"—so-called because they are impulse items at the cash register—avoid the heavyweight competitors' strong suit in traditional candy bars. Instead, they play to impulsive folks who need some reassurance. The small size, it seems, relieves the guilt that comes with bigger bars of quality chocolate.

Olympia

Michele Ferrero

Ferrero's packaging, too, is highly praised by the industry. Consider Tic Tac breath mints, a bestseller in the U.S., in the clever box. And it takes a day to properly build up the tiny Tic Tac drops at the factory—typical of Ferrero's attention to quality.

These, other specialty chocolates, soft drinks and confectionery products add up to a company with worldwide sales exceeding $1.5 billion. The family owns all of the outfit, which has an estimated value of $2 billion, and that's probably low. As one observer said: "They have some 10% of the European confectionery market. Many companies would pay dearly to win that share in such a lucrative business."—**Katherine Weisman**

SILVIO BERLUSCONI

Perpetual Motion

Television and advertising remain Berlusconi's main business, and that's saying a lot. Each of his three Italian networks—Canale 5, Italia 1 and Retequattro—transmits 18 hours of programming a day. Berlusconi's advertising company, Publitalia '80, sells

Oendamo/Grazia Neri

Silvio Berlusconi

the ad time. Fininvest's formula: Pay top dollar for top shows like *Dallas* and *Cosby*, attract big audiences, and so get top dollar for ads.

Some think Italian viewers have all the programming they can stand. Berlusconi thinks otherwise. His buyer at the June screenings in Los Angeles was buying not only conventional broadcasting rights to film properties and TV series but pay TV rights as well. (Pay TV is showing promise in Italy.)

With 1992 near, Berlusconi, 53, has a 3.9% stake in TF-1, the network with 40% of France's TV audience, and 2% in the French company that controls TF-1. He has a stake in La Cinq, France's third-ranked network. In West Germany he has a stake in Tele Fünf, the country's newest and smallest of three private channels. And a 25% stake in Spain in a consortium's bid for one of three channels to be licensed by the government. "He has the capital, and he's got broadcasting experience," says James McNamara, executive vice president of New World International.

TV isn't enough. In July 1988 Berlusconi bought 73% of La Standa, a department store chain, for $650 million *(see Ferruzzi)*. A source close to Berlusconi explains, "Standa was a way to diversify." Publitalia continues selling ad time on Soviet TV. Berlusconi wanted a similar agreement with China, but that was before the upheavals. And, for fun, Berlusconi's soccer team, Milan A.C., won the prized Coppa di Campioni in May.

Will Berlusconi keep moving? Do birds sing in the morning? Stay tuned.—**Katherine Weisman**

GERMANY

ERIVAN HAUB

Problem Solver

The sole owner of Europe's largest supermarket chain (worth at least $2.9 billion) is a man who makes fast, dramatic decisions. When infighting broke out last July between a longtime, high-level Tengelmann Group manager and a lower-level manager, Erivan Haub fired both.

Arbitrary? More likely, a talent for solving complicated problems with simple, decisive solutions. Take A&P supermarkets, 52% of which Haub picked up for $7 a share in 1979. The stock is now around $55, thanks in good part to James Wood, formerly of Grand Union, whom Haub picked—and then gave full powers—to turn the ailing chain around. The turnaround is so successful that A&P has recently taken over ailing Borman's Inc., with 80 Farmer Jack stores in the Detroit area, and is bidding for Britain's Gateway supermarket chain.

Wolf Prange

Erivan Haub

That the impatient Haub is expanding vigorously is understandable considering the frustrations he faces at home. In Germany Haub had to get approval from the government cartel office before he could take over the relatively small Schworer chain near Stuttgart this spring. Then there's the *Baunützungsverordnung*, a zoning law restricting the size of new suburban supermarkets. And the *Ladenschlussgesetz*, which requires stores to close by 6:30 p.m. weekdays. And the necessary respects to Germany's surging Greens: no fish from Iceland, to save the whales, *bitte;* no phosphate detergents, chlorofluorocarbon spray cans or toxic-laden batteries, *bitte.*

This very German billionaire made sure his three sons were born in the U.S. That means they are American citizens.—**Philip Glouchevitch**

MOHN FAMILY

Doubleday Wasn't Enough

Beware: The media giant may soon be hungry again. Bertelsmann (1988 sales, $6.4 billion) established itself as a world player by taking over RCA Records and Doubleday in 1986. A subsidiary, Grüner & Jahr, is still searching for publications in the U.S., where it already owns *Parents* and *YM* magazines.

Tschauner-DPA/Photoreporters

Reinhard Mohn

Ownership of Bertelsmann, founded by Carl Bertelsmann in 1835 to publish religious materials, and now a global book and magazine publisher and electronic media company, is largely in the hands of the Mohn family, although some stock is being shared with employees.

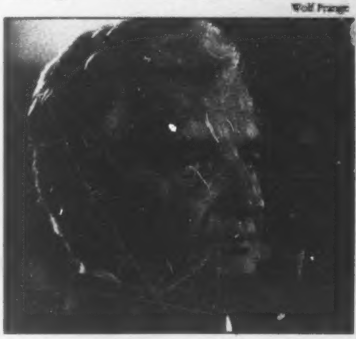
Reinhard Mohn, 69, is the patriarch of this $3.6 billion family fortune. He has transferred a majority of the share capital to his son Johannes, the sixth generation, while his five other children and wife hold unspecified amounts. Yet Reinhard retains a DM500 share with all the voting power, and he plans to turn the company over to the nonprofit Bertelsmann Foundation.—**Philip Glouchevitch**

HENKEL FAMILY

Happiness Is West Of The Rhine

Konrad Henkel, 73, the effective head of the 70-member family that controls the giant chemicals and detergents Henkel Group, has been hassled hard at home lately. His donations to the ruling CDU and FDP parties through tax-deductible foundations

Wolf Prange



Konrad Henkel

drew him a $1.9 million fine. He is fighting the penalty and damn the publicity.

There's more cheer elsewhere. Under their carefully chosen—and nonfamily—CEO, Henkel Group earnings totaled $195 million in 1988 on sales of $5.8 billion, tripling over five years. The company will spend $150 million to placate the Greens: Its detergents will soon be phosphate-free, packaged in biodegradable polyethylene containers, not polyvinylchloride.

Founded as a purely German household detergent maker in 1876, Henkel now sells far more in Latin America or the rest of Europe than at home. Until recently, the biggest subsidiary was in France, where growth was up an average 20% a year since 1980, largely through acquisition. But now, with the acquisition of an oleochemicals division of Quantum Chemical for $480 million, the U.S. subsidiary is number one. (Henkel owns 26% of Clorox and 26% of Loctite.) More may follow: There is a bigger playing field in the U.S. for growth-minded billionaires, and they are raising cash to play harder here.—**Philip Glouchevitch**

MAX GRUNDIG

The Indefatigable Max

★ West Germany's newest major hotelier is 81-year-old Max Grundig. His latest extravaganza in the Black Forest, the Bühlerhöhe, sports a helicopter pad, pool, tennis courts and original paintings by Dali and Van Dyck. He also has hotels in Monte Carlo, Nuremberg and Fuschl. They are not his only interest. At 72 he became a father again when third wife, Chantal, gave birth to a daughter, Maria Alexander, now 9 (he also has a daughter from his first marriage).

Haid/DPA

Max Grundig

Thus, Grundig continues to be a living legend in Germany, famous as a resourceful if domineering businessman and all-around opinionated guy. He started making radios in the 1930s, and survived Nazis, Allied bombing, and the collapse of Germany all right. Surviving the Occupation had its own problems: The Allies banned the sale of radios. Grundig read the regulations carefully, and designed the celebrated "Heinzelmann" do-it-yourself radio kits to get around the ban. Soon he needed a big factory. To build it he did a deal with a French army major, swapping 20,000 radios for 7 million cigarettes, which Grundig traded for 60 railroad cars full of cement needed for his factory. With inexpensive Grundig tape recorders, televisions, and steno machines, the indefatigable Max built one of Europe's big postwar successes.

In 1972 Grundig sold a few shares to the public and put the other 93% in a foundation. This was not a true nonprofit foundation, but a device to avoid inheritance and ownership complications should he die. Relinquishing control was another matter: Four successive chief executives found that out from 1972 to 1982—each had to leave the company.

But by the late 1970s Max had his hands full contending with Japanese, Korean, Taiwanese and Hong Kong Chinese producers. Grundig A.G. was as beset with Asian imports as its U.S. counterparts. In 1979, struggling to compete, Grundig A.G. allied with Dutch giant N.V. Philips: Philips got 24.5% of Grundig, and the foundation got 5.8% of Philips, today worth over $1 billion. In 1982 Grundig became CEO again at age 74, to try—but fail—to forge more European alliances. In 1984 he turned over management for good to Philips, which boosted ownership to 31.6% and guaranteed Max an annual DM56 million dividend for 20 years.—**Philip Glouchevitch**

KARL-HEINZ KIPP

Run, Then Take The Money

★ Switzerland, its hills alive with the sound of low-tax music, is where Karl-Heinz Kipp headed just prior to selling his Massa variety stores for some $800 million in 1986. By becoming a Swiss resident and taking his company public before selling, Kipp cut his tax bite 50%.

Kipp shrewdly retained the valuable real estate under the stores, for which he receives over DM100 million per year for 30 years—indexed for inflation, naturally. He and his son, Ernst Ludwig, who moved to Annapolis, Md., have other real estate interests, including at least one New York office building. Kipp Sr. also bought some luxury hotels in Swiss resort villages, including Arosa, where he now lives. His daughter moved to England with her family, making the Kipp exodus complete.

Kipp purchased the Alfred Massa company in 1948 and built it into a successful textile wholesaler. But you wouldn't be reading about him if he hadn't seen the handwriting on the wall, written in Japanese, Korean and Chinese. In 1964, shrewdly foreseeing that Asian competition would swamp European producers, he switched to retail stores, offering everything from food to sundries to garden supplies. By the time he was ready to sell, he had built 27 mostly large-area stores in the Rhineland, whose value increased dramatically after the strengthening of the quirky German zoning law limiting construction of new large stores.

Kipp also left behind some disgruntled Massa employees, who thought they would someday share in all the profits plowed back into the stores, to make up for their otherwise crummy employee benefits.

It turns out that the profits are in Switzerland.—**Philip Glouchevitch**

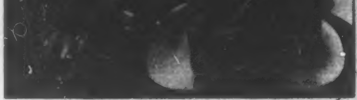
QUANDT FAMILY

Would You Sell?

Yes, the rumors persist, and have for years, that the Quandts may be selling their 66% share in BMW, now worth some $2.6 billion. No, there is no sign they will actually do anything so dumb. BMW, profitable under the Quandts for 25 years, is coming off a record year: sales up 26%. Thank the swank 5 and 7 series sedans that outsold rival Mercedes' S-class cars in Europe.

The Quandts, originally a textile family in Brandenburg, established a potash, mining and battery combine early this century. In the late 1950s half-brothers Herbert and Harald bought into and rescued the then nearly bankrupt BMW. Harald died in a 1967 plane crash. Herbert's widow, Johanna, and six of his children (from

Wolf Prange



Herbert Quandt

three marriages) own the BMW shares plus holdings in other businesses. This generation's important new venture is manufacturing credit cards. In 1986 the Quandt family purchased Minneapolis-based Smart Card, which also owns the largest credit card manufacturer in Germany, known as MIDS, as well as plants throughout Europe.—**Philip Glouchevitch**

PRINCE JOHANNES VON THURN UND TAXIS

Working For Albert

The prince, 63, breathed easier when wife Gloria, 34 years younger, produced a son, Albert, after two girls. The quest for a male heir each generation, prompted by family tradition, has kept the family fortune, $3 billion, intact for five centuries. Next step is to give Albert, now 5, a patrimony suited to the 21st century.

Helmut Newton/Sygma

Prince Johannes von Thurn und Taxis

Enter last September Helge Petersen, no stranger to family fortunes. This onetime McKinsey consultant has directed the Quandt family's Altana A.G., and businesses of the wealthy Haniel family before that.

Now he oversees "Prince TNT's" vast tracts in southern Germany (part of a 19th-century swap with the family for the postal monopoly it controlled from 1505), and in Canada, Brazil and the U.S. Also, a private bank, a brewery, electronics companies, 37% of Philadelphia-based investment bank Butcher & Co., and art and antiques that have yet to be completely inventoried.

The prince plans to develop industrial parks, shopping centers and office buildings on the real estate, and expand the main electronics company, Doduco GmbH & Co., by acquisition in the U.S. and the Far East (already, two-thirds of its business is outside Germany).

A more ambitious plan is afoot: to harness his private bank (assets, DM860 million), Butcher & Co., an international real estate business in Dusseldorf, and a Munich-based securities firm to build a full-service, world-girdling investment bank for the superwealthy. The bank and financial services are being expanded "as fast as we can find talented managers," reported Petersen to Germany's *Industriemagazin.* Albert's world is likely to be as much his oyster as it is his father's.—**Philip Glouchevitch**

HEINZ BAUER

Little-Known, Not Little

★ Have you ever wondered who really makes those snazzy, expensive eyeglass frames sold under designer names like Christian Dior and Porsche Carrera? The answer is an obscure West German company, Optyl Holding GmbH & Co., that is controlled by a German publisher Heinz Bauer, a new name this year among the world's billionaires.

Bauer's primary business, however, is Bauer Verlag. With revenues of over $1 billion, it is West Germany's second-largest magazine publishing house, behind Axel Springer, and worth over $1 billion, says Gebhard Klingenstein of Baring Securities.

The source of Bauer Verlag's riches is *Hören und Sehen,* Germany's equivalent of *TV Guide.* But the company was founded long before the advent of broadcasting, in 1875, by Heinz Bauer's grandfather. Heinz' father, Alfred Bauer, published radio guides before the war and, immediately following the war, published wage tables telling employers how much to deduct for taxes, social security, etc. After the occupation ended, the Bauers relaunched radio and TV guides. They reinvested the profits in other magazines, including *Neue Mode,* the fashion magazine, illustrated magazines *Neue Revue* and *Quick,* as well as tabloid newspapers. Bauer Verlag now publishes magazines in France, the U.K. and Spain. And the U.S.: In 1981 Bauer bought *Woman's World* and, in 1988, launched *First for Women.* In a departure from media, Bauer also owns 230 Winn's discount stores in Texas. Rounding out the picture back home, Bauer owns the German licenses for *Playboy* and *Esquire,* and has a 24% stake in Radio Hamburg.

DPA

Heinz Bauer

Alfred Bauer died in 1984. Son Heinz now controls 96% of the company, with the remainder divided among his two sisters. Heinz and two colleagues operate the Hamburg-based group without any middle management.—**Philip Glouchevitch**

ALBRECHT FAMILY

New Battle Of Britain Ahead?

Theo and Karl Albrecht, the billionaire brothers who own the Aldi discount supermarkets, may be getting more aggressive outside Germany than they used to be. Word is they plan to invade England, with centrally located, old-industrial Birmingham as their takeoff point. That closely parallels their postwar start in West Germany, where Aldi spread up and down the Rhine from the central, old-industrial Ruhr.

The British may be in for some tough competition. Theo, 66, and Karl, 68, built their chain of over 2,000 German supermarkets by cutting prices to the bone, through concentrating on quick-selling items and by limiting costly frivolities like fresh food or advertising. Very different from cozy British retailing *(see Sainsbury).* Estimated sales for 1988, $8.2 billion. The Albrechts have structured the business into 32 smaller parts to avoid German disclosure laws for large companies. The penchant for secrecy is understandable: Theo was kidnapped in 1971, and a DM7 million ransom paid.

Outside Germany, the Albrechts also own smaller chains in Austria (Hofer), Belgium (Lansa) and Holland (Combi). In the U.S., Theo has a nifty investment in the Boise-based Albertson's chain. His 11%, bought in 1979 for $37 million, is worth some $250 million today.—**Philip Glouchevitch**

OTTO BEISHEIM

Opening Time Is Money

Supermarketer extraordinaire Otto Beisheim keeps to his low profile. Dividing his time between residences in Lugano, Switzerland, Bal Harbor, Fla. and Rottach-Eggern, West Germany, he runs his Metro Group empire as secretly as he can through a maze of holding companies in Switzerland, Liechtenstein, West Germany and the U.S. With worldwide sales of over $17 billion and domestic sales of over $10 billion, Metro Group is the leading retailer in West Germany.

Founded in 1964, Metro dodges West Germany's store-closing law *(see Haub)* by nominally operating as a wholesaler but handing to everyone who asks the required special entrance card. A three-year-old lawsuit against Metro by the German Retail Trade Association is still in the courts. Beisheim's merchandising strategy is simple: Know your consumers and stock for their ever more specialized wants—the group is targeting office equipment (Metro was among the first to carry PCs and is among Europe's leading sellers) and hotel catering as future growth areas. Beisheim believes this strategy will protect him from other European retailers chasing the "Euro-consumer" onto German turf.

Lately, Beisheim, 65, has been branching out. He has raised his stake in Kaufhof A.G., West Germany's second-biggest department store chain, to over 50%. Other Beisheim interests include Primus Meister and Huma/Suma supermarkets, the Pelikan office furniture company as well as the Jetro cash-and-carry stores in the U.S.—**Philip Glouchevitch**

HERZ FAMILY
Filling In The VCR Blanks

When their father Max died in 1965, brothers Gunter and Michael Herz inherited Tchibo Frisch Rost Kaffee, a coffee mail-order business and store chain. Somehow, the brothers figured they could also sell cheap surfboards, tennis rackets, bottle openers and sundry other goods through their coffee stores. They were right. Tchibo's sales have grown steadily and now total over $1 billion.

The brothers keep looking for new profit sources. Example: For a joint venture in the travel business, they now sell videocassettes in Tchibo stores. Priced the same as a blank tape, these cassettes come with a prerecorded one-hour travelog featuring hotels in Ibiza, Grand Canary Island, Rhodes and Crete, and a number for reservations. If you don't like the advertising, you simply record right over it. Clever.

The Herz brothers' diversifications include 26% of Beiersdorf A.G., maker of the Nivea brand skin cream and adhesive tape; and 53% of Reemtsma Cigarettenfabriken GmbH, which has cigarettes (notably Peter Stuyvesant brand) and breweries (St. Pauli Girl, among others). At Reemtsma, the brothers are selling off some of the weaker breweries and keeping the successful Bavaria and St. Pauli brands. Beiersdorf, meanwhile, is growing nicely; it recently outbid Japan's Dainippon Chemical for Technical Tape, Inc., the second-largest manufacturer of adhesive tape in the U.S.—**Philip Glouchevitch**

OETKER FAMILY
Into Good Hands

Here is another big West German family-owned company that finds itself compelled to look beyond West Germany. The Oetker family company was started in 1891 by August Oetker, a pharmacist in Bielefeld who packaged baking powder and recipes for housewives. His grandson Rudolf Oetker took over after WW II and diversified into shipping, breweries, banking and insurance. Now Rudolf's son August, 45, is group chairman.

Wolf Prange

Rudolf Oetker

August Oetker faces unusual challenges. Oetker Group (sales, around $1.6 billion) is so large in some industries—brewing, for example—that it can't make further acquisitions without running into trouble with West Germany's competition laws and the cartel commission. The foods division is also very large, but come 1992 it must compete against even larger European giants like Nestlé or Unilever. August Oetker's solution: seek growth markets in lines like frozen and prepared foods, perhaps with similar size companies in France or Italy, for economies of scale.

At 73, patriarch Rudolf Oetker is spending less time on company affairs. Several top managers are at or near retirement age. But young August Oetker showed his mettle when he told West Germany's *Industriemagazin* last year that he'll find managers either within the company or outside who are independent enough to challenge family members on matters of importance.—**Philip Glouchevitch**

GRETE SCHICKEDANZ AND FAMILY
Staying Put

With the mail-order business in West Germany nearing saturation, where will Grete Schickedanz look for future growth? Schickedanz, 77, is the widow of the founder of Quelle, one of West Germany's largest mail-order retailers. The company is run with the help of other family members.

Staedele-DPA/Photoreporters

Grete Schickedanz

So far the family's answer to the growth question has been to diversify, but primarily within West Germany. Besides the catalog business, Quelle group now includes retail stores. Thanks in part to its 1987 acquisition of the Sinn A.G. chain of apparel shops, Quelle's 1988 sales topped $5.5 billion, and earnings were up 10%, to some $50 million. Also spurring sales were the financial services division and an "industrial" division that recently acquired a Coca-Cola concession for northern Bavaria and neighboring regions. The Schickedanzes intend to merge the Coke operation with existing beverage operations (which include brewer Patrizier Brau).

Quelle earns about 30% of its catalog revenues outside of West Germany. But the Schickedanzes always identified with their country, and a company spokesman confirms that investing outside the Fatherland is "not a priority."—**Philip Glouchevitch**

OTTO FAMILY
Writer Makes Good

★ The Schickedanzes aren't the only German billionaires from mail order, or even the largest. Meet Werner Otto, 79, and his son Michael, 46. Their majority-held Otto Versand GmbH & Co. earned $83 million in Germany alone last year; worldwide, group sales exceeded $7 billion. The Ottos also own Spiegel, Inc., the U.S. catalog company. Add to that several real estate development companies in North America.

The son of a Brandenburg food

Wolf Prange

Werner Otto

wholesaler, Werner Otto originally wanted to be a writer, but became an independent retailer in Stettin instead. He spent two years in jail for his opposition to the Nazis, then moved to Hamburg after the war. He founded a mail-order house in 1949; it grew rapidly thanks to his knack for getting what customers wanted. In the early 1960s, with impeccable timing, Otto sold about half the company to finance his foray into real estate development.

Son Michael, who once served a brief internship at the Von Finck's bank, took over as chief executive in 1981. He seems cut from his father's cloth. Michael bought the Spiegel catalog in the U.S. in 1982, and with his father's flair for timing, he raised $100 million through the issue of nonvoting shares in Spiegel in September 1987, one month before the global market crash.

Under his tenure the company broke out of Quelle's shadow in 1982, and then overtook Sears in 1986 to become the world's leader in catalog sales. Germany's *Industriemagazin* named Michael Otto "manager of the year" in 1986; he sits on the board of several companies, including Deutsche Bank.—**Philip Glouchevitch**

VON SIEMENS FAMILY

Strategic Alliances

★ Siemens A.G. (sales, $34 billion) makes everything from dishwashers to nuclear plants. But now even the company seems to think the broad spread is a weakness, and plans to focus on power, communications and medical equipment. Showing its affection for grand strategic alliances, Siemens agreed last December to buy the telecommunications part of Rohm from IBM for $1.15 billion. In partnership with Britain's GEC, Siemens is now making a renewed bid to take over Britain's Plessey, a worldwide electronics concern with important British defense contracts.

Siemens isn't usually thought of as a family company, but over 200 Von Siemens family members and their unifying family trust own at least 10% of the share capital, including an undisclosed number of preferred shares that carry extra votes.

For nearly its entire life, Siemens has been run by family members. It was founded in 1847 as the Siemens & Halske Telegraph Co. by Werner von Siemens and Johann Georg Halske. In 1866 Werner developed the first practical dynamo-electrical machine, through which electricity can be produced in great quantity. The company quickly grew into one of Germany's biggest electric companies. Most of the firm's plants and its Berlin headquarters were destroyed during World War II; after the war the founder's grandson Hermann von Siemens relocated the company to Munich.

Alain Nogues/Sygma

Peter von Siemens

The tradition of family members' running Siemens ended in 1981, when Peter von Siemens stepped down as chairman of the supervisory board. His son, Peter Carl von Siemens, 52, is on the board of executives, and younger family members work in the company, but it is run by professional management.—**Philip Glouchevitch**

FRIEDRICH KARL FLICK

Squabble Settled

Friedrich Karl Flick may finally get to enjoy in peace the $3 billion he received from selling his industrial empire to Deutsche Bank in 1985. Flick recently paid an undisclosed amount to two disgruntled nephews, Friedrich Christian and Gert-Rudolf, whose share of the family companies he had bought in 1975 for DM200 million. In a real-life version of *Dynasty*, the nephews sued last year for a redistribution of the assets, and embarked on a visible campaign to regain control of the old family paper, dynamite and construction companies, since taken public as Feldmühle Nobel A.G. They failed to gain control but profited handsomely from selling their 40% stake last May to the Dusseldorf energy and chemicals conglomerate Veba A.G. The squabble seems settled.

Prange-DPA/Photoreporters

Friedrich Karl Flick

Flick, whose image was tarnished in a 1981 political contributions scandal, remains a behind-the-scenes figure in West Germany. He sits on the supervisory board of Deutsche Bank, and is the subject of many business rumors. Talk of his building a skyscraper in Frankfurt proved to be untrue. But, at 62, Flick is still quite active. There will probably be fire behind one of the rumors one of these days.—**Philip Glouchevitch**

WERHAHN FAMILY

Iraq Connection

The Werhahn family's considerable fortune should improve thanks to the end of the Iran-Iraq war. The reopening of the $700 million airport at Basra and a new 140km Iraqi highway will enable the Iraqis to complete payments to Strabag Bau A.G., the West German construction firm 50%-owned by the Werhahns. The rest of their fortune springs from some 74 other companies controlled through their holding company, Wilhelm Werhahn K.G., of Neuss.

The family shuns all publicity—although a secretary was allowed to confirm that Chairman Heribert Werhahn does indeed spell his name with the "i." He recently stepped down as chairman of the the Strabag Bau su-

Wolf Prange

Heribert Werhahn

pervisory board to become honorary chairman, but he leaves the company in good shape: Earnings are rising again after two lean years. The family sold its $1.1 billion (sales) food operations in 1987 for $320 million, but it still owns diverse businesses with combined sales of around $1.6 billion.—**Philip Glouchevitch**

WILHELM VON FINCK
AUGUST VON FINCK
Divvying Up?

The von Finck brothers broke their customary silence a few months ago to deny a *Spiegel* magazine report that their 90% share of Löwenbrau brewery (worth some $260 million) is for sale. It was, however, a plausible rumor. For one thing, West Germany's beer wars are heating up, and many lesser breweries have been changing hands *(see Herz, e.g.)*. For another, the von Fincks—August is 59; Wilhelm, 61—may be starting to think about transferring assets to their children.

Photos by Wolf Prange

Wilhelm and August von Finck

August has four children and Wilhelm has one, and although none of the kids is active in the business, there is a great deal to be distributed. Besides Löwenbrau, the brothers' vast holdings include the private Merck, Finck & Co. bank (total assets over DM3 billion), 40% of electric utility Isar Amperwerke, 70% of the less-known Wurzburger brewery, investments in Allianz (5%) and Munich Re (5%) insurance companies, and some 10,000 acres of valuable forest and agricultural land outside Munich. That land is especially valuable because in West Germany landholdings are valued, for inheritance tax purposes, at only 10% of their market value.—**Philip Glouchevitch**

VON OPPENHEIM FAMILY
Bicentennial Nonbash

The von Oppenheim cousins—Manfred, 65, and Alfred, 55—are celebrating the bicentennial of their family's famous bank, Sal. Oppenheim Jr. & Cie., this year just the way you'd expect from sixth-generation private bankers and insurers: discreetly. The Oppenheims' worth, believed to be in the $2 billion area, is concentrated in the bank and several insurance companies, especially Colonia Versicherung A.G., on whose books hidden assets reportedly abound.

Photos by Wolf Prange

Alfred and Manfred von Oppenheim

German insurance companies are known in European financial circles to be highly profitable, and Colonia is considered no exception. The bank is healthy, too: it has joint ventures in Zurich, Luxembourg, New York and—most recently—Tokyo. These ventures are meant to serve large foreign institutional investors interested in purchasing German securities in a steadily shrinking world.

The bank was founded in 1789 by ancestor Salomon Oppenheim Jr., the first Jew on Cologne's Chamber of Commerce. His sons Simon and Abraham financed Germany's railroads. Simon's sons converted to Christianity; by Hitler's day the von Oppenheims were only one-quarter Jewish and largely escaped the Holocaust.—**Philip Glouchevitch**

FRANCE

MULLIEZ FAMILY
Sincere Flatterer

★ Gerard Mulliez is trying his luck at bringing the hypermarket to the U.S. In 1984 some of Mulliez' Groupe Auchan executives moved to the States to run an experimental superwarehouse franchise in Joliet, Ill. Auchan opened its first U.S. hypermarket near Houston last fall, and its second in suburban Chicago this spring.

Highly successful in Europe, hypermarkets—with everything from bread to VCRs, skirts to lawn mowers under one huge roof—have yet to catch on in the U.S. Yet it's understandable why Mulliez should want to have a go. Consciously inspired by American discount retailing operations he saw in the U.S. in 1960, Mulliez opened his first Auchan supermarket in 1961 in Roubaix, near Lille. To preempt anyone from opening an even bigger store, he built the first Auchan hypermarket in 1967. Now there are 39 in France, 11 in Spain and a joint venture under way with Italy's Conti. Every store offers over 50,000 items on floor space up to 160,000 square feet. (The typical Wal-Mart hypermarket, by contrast, is 222,250 square feet.)

To cope with the *Loi Royer*, a French law aimed at protecting small shopkeepers, Mulliez developed U.S.-style shopping centers, anchored by his hypermarkets. This allows the petit bourgeois shopkeepers to rent space and benefit from traffic generated by the big Auchan stores. Other U.S. concepts Mulliez has imported to France include do-it-yourself, sporting goods, discount clothing chains, cafeterias, and even pizzerias. His employees own 17% of $7 billion (sales) Auchan; Mulliez' 83% share is worth around $1.2 billion.

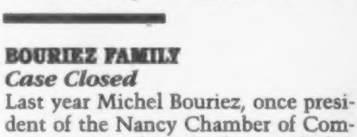
The original century-old family business is a chain of knitting and yarn stores called Phildar. Today Phildar (1988 sales, $473 million) has some 2,280 franchisees, making it one of the largest franchise operations in Europe.—**Katherine Weisman**

BOURIEZ FAMILY
Case Closed

Last year Michel Bouriez, once president of the Nancy Chamber of Commerce, spent three weeks in jail after being indicted for allegedly making a FF10 million ($1.5 million) payoff to build another Bouriez family hypermarket. The case was suspended, but the incident shows how seriously the French take the *Loi Royer*, protecting their little shopkeepers, who feel threatened by billionaire retailers like the Bouriez family.

The Bouriez' holding company is Cora-Revillon-Editions Mondiales; according to the family, its revenues are around $5 billion but most observers put them well above that. The company is based in Paris and is run

Delluc/L'Expansion



Philippe Bouriez

by Michel's brother Philippe, 55, a Harvard Business School alumnus.

The family's original company, Cora, is now France's second-largest hypermarket group with 48 stores (6 more in Belgium) and several supermarkets and convenience stores. Revillon, the well-known luxury-goods firm acquired in 1981, owns the license to manufacture apparel and accessories with the Karl Lagerfeld label. Editions Mondiales is France's number one publisher of women's pulp romances and produces films and TV programs. It also owns 2% of TF-1, a cable TV broadcaster. With one of France's largest family companies, the Bouriez clan is worth well over $1 billion.—**Katherine Weisman**

PEUGEOT FAMILY

Tale Of Two Families

The descendants of Louis Renault can thank France's Socialists, who keep bailing out the state-owned Renault car company, for keeping the family name alive. But the competing Peugeot clan has kept its name—and fortune—alive through its own wits and resources. The family is currently represented by Pierre, Roland, Bertrand and Antoine. Among their better decisions was the fairly recent one of hiring Jacques Calvet as chairman in 1982. After whipping labor into shape, Calvet came out with the widely acclaimed Peugeot 405 in 1988. Sales, earnings and Peugeot stock have all shot up dramatically, making the Peugeot family's 26% (with double voting rights in some cases, assuring control) of Peugeot S.A. lately worth $1.5 billion.

Richard Kalvar/Magnum

Roland Peugeot

Looking ahead to the tougher competition European automakers will face after 1992, Peugeot and Fiat have formed a joint venture to build passenger vans to compete with Volkswagen and the Japanese.

Currently Peugeot has 12% of the European market; this puts it in third place, narrowly behind VW and Fiat. But one well-regarded European automotive analyst foresees even brighter things. "Peugeot," he predicts, "will become Europe's premier automaker and will gain a [European] market share of 15% in the next four years."—**Katherine Weisman**

VUITTON FAMILY

French Lesson

★ "If Racamier hadn't been there, they [the Vuitton family] would not be billionaires," says a source close to the Vuittons. He is referring to Henry Racamier, a successful businessman who married Odile Vuitton in 1943. In 1977 Racamier's mother-in-law, who wanted to keep Louis Vuitton a family business, asked Racamier to take over. He sold his specialty metals company and, at 65, began a new career in the prestige consumer goods business (a Vuitton trunk can cost $10,000 and more). When he started there were two Vuitton boutiques; sales were $11 million. Today Vuitton has 120 stores worldwide; 1988 sales were close to $500 million.

Ribokowsky/REA

Henry Racamier

Racamier's problems began when he took Vuitton public in 1984. This made the family more liquid, but reduced its control. In 1987 he merged Vuitton with Moët Hennessey to create Louis Vuitton Moët Hennessey (LVMH). That further reduced the family's ownership.

During the past year, a nasty power struggle has broken out involving Racamier, Britain's Guinness Plc., French businessman Bernard Arnault and merchant bankers Lazard Frères & Cie. *(for more on the battle, see "Tough guys with a genteel manner,"* FORBES, *July 10).* As things now stand, Arnault is in charge, and the Vuitton family's holding in LVMH has been diluted down to around 20%. The stake is now worth $1.3 billion, but the Vuittons have lost control.

The company itself, by the way, has a charming history. In 1837 Louis Vuitton, 16, came to Paris and apprenticed himself as a *layetier.* The word *layetier* has almost disappeared, but then it was commonly used and meant a specialist in packing luggage for wealthy women leaving on extended sojourns. When Eugenie de Montejo married Napoleon III in 1853, she chose Vuitton as her *layetier*, making him famous. In 1854 Vuitton opened a luggage store where he reshaped the trunk, traditionally rounded on top, into a rectangular box for easier stacking. Vuitton trunks were soon the rage.—**Katherine Weisman**

SCHLUMBERGER/SEYDOUX FAMILY

Thick-Blooded

We're not sure what this means, but Jérôme Seydoux, commonly regarded as one of France's best businessmen, has lately emerged as a major factor in the international wool business. Through his air transport company, Chargeurs S.A., Seydoux has bought the wool combing, cleaning, spinning and selling arms of Prouvost in France and of Hart in Argentina. These give Seydoux 22% of the world market in wool trading and combing.

Why wool? We don't know; Seydoux merely points to historic company ties to the textile industry. What is clear is this: The Seydoux family's commercial blood still runs thick. Jérôme's grandfather Marcel Schlumberger (and Marcel's brother, Conrad) founded Schlumberger, the oil services giant. Pierre Schlumberger, Marcel's son, later decreed that the company should be managed by professionals, not family members.

Patrick Hamon-Keystone/Picture Group

Jérôme Seydoux

That rule forced Jérôme Seydoux out of the company in 1976. A natural businessman, he soon bought control of troubled textile company Pricel, which he restructured and used to acquire Chargeurs in 1979. Chargeurs recently won passenger routes between New York and Marseille, Bordeaux and Toulouse from President Mitterrand—Seydoux, too, is close to the Socialist government.

Nor is Jérôme, 55, the only family

member to have inherited some of Marcel's commercial acumen. Younger brother Nicolas runs Gaumont, France's leading motion-picture producer. Michel, the youngest sibling, has a film production company. Together, the Seydoux and Schlumberger kin own as much as 25% of Schlumberger, worth over $2 billion at current prices.—**Katherine Weisman**

LILIANE BETTENCOURT
The Price Of Diversifying

Widely considered France's wealthiest individual, Liliane Bettencourt is the daughter and heir of Eugene Schueller, the founder of L'Oréal, the world's largest cosmetics company (1988 worldwide sales, $4.6 billion). Now 66, she continues to live quietly in a suburb of Paris with husband André, a former government minister.

Richard Kalvar/Magnum

Liliane Bettencourt

L'Oréal has a new president, Lindsay Owen-Jones, 43, a Welshman, appointed last September. Around 40% of L'Oréal's sales are still in France, and Owen-Jones, long with L'Oréal's various international divisions, is charged with expanding foreign markets. This includes the U.S., where L'Oréal operates through its New York-based subsidiary, Cosmair. Within L'Oréal's vast product line, the company's most successful product is Anaïs Anaïs, a perfume with worldwide sales of about $140 million. Owen-Jones hopes to create more such global successes.

Through Gesparal, a holding company, Liliane Bettencourt owns 28% of L'Oréal; at current Paris Bourse prices, the holding is valued at $1.1 billion. She originally held about 50%. But, to diversify, she traded 22% in 1974 for what's now 3% of bearer shares of Nestlé, the Swiss food giant. That Nestlé stake is worth around $400 million; a 22% holding in L'Oréal, by contrast, would be worth over $800 million at today's prices. There is sometimes a cost to diversifying one's portfolio.—**Katherine Weisman**

HOLLAND

DREESMANN FAMILY
Boardroom Fight

Last year saw real trouble emerge at the Dreesmann family's Vendex International. Run since 1974 by Professor of Economics Anton Dreesmann, 66, Vendex has grown into a retailing and financial services colossus whose 1988 sales hit nearly $8 billion. Its U.S. interests include 50% of B. Dalton Bookseller and 41% of Dillard Department Stores Class A shares.

But while Dreesmann was orchestrating Vendex' overseas growth, managers of the company's stores back home in Holland stayed too long with mass marketing concepts at a time when competitors were offering upmarket, specialty, in-store boutiques. At the Dreesmann's supermarket chain, Edah, managers lost their image as good discounters when other supermarkets began reducing prices.

The turn, when it came, was sudden for the privately owned company. By some accounts, some of the Dutch operations, which account for as much as 63% of sales, are now losing money. Vendex' overall profits fell 24% last year, to $78 million.

To make matters worse, Anton Dreesmann was knocked out of action by a brain hemorrhage, from which he is recovering. His handpicked, nonfamily successor, Arie Van der Zwan, attacked Vendex' problems with a plan to cut nearly 18% of the department stores' jobs and then upgrade the stores, as Macy's in the U.S. had done. The paternalistic Dreesmann wouldn't hear of mass firings. Saying he had "pulled himself out of the grave," Dreesmann returned to the company early this year amid a "palace revolt" by directors and managers, who threatened mass resignation, according to one source (the company refuses comment). At any rate, Van der Zwan is out, and so are the mass firings. A "more quiet" restructuring plan is in process, and plans for taking Vendex public in 1990 are stalled. Dillard's has reportedly asked about buying back Vendex' stake, currently worth some $758 million. An interesting drama, far from finished.—**Katarzyna Wandycz**

ANP

Anton Dreesmann

FENTENER VAN VLISSINGEN FAMILY
The Next Billion

What is a billionaire family doing in a dull business like propane? Answer: working on their next billion.

Through Utrecht-based SHV, their privately owned energy and consumer goods wholesale company (1988 sales, $5.4 billion), the family is buying into European companies that distribute liquefied petroleum gas—better known as propane and butane in the U.S. LPG is a mundane necessity for rural and small-town customers that are not served by gas mains. In Europe this little-noted business offers stable pretax margins averaging 20%. Some analysts project that Calor Group, Britain's largest LPG distributor, can probably get 20% of the 2.8 million homes currently beyond the reach of natural gas, on top of its existing 80,000 residential users. SHV owns 42% of Calor. Paul Fentener van Vlissingen, 48, who heads SHV, has also aggressively added LPG interests on the Continent, and company sources expect further expansion.

ANP

Paul Fentener van Vlissingen

In a sense the family is returning to their roots. The family fortune grew out of a coal cartel in turn-of-the-century Holland. In the 1960s and 1970s they invested in oil. Today, SHV gets most of its revenues and half its profits from a chain of 54 wholesale cash-and-carry Makro stores, and the Otto Reichelt supermarket chain in West

Germany.

The family is not short on talent: Paul's brother John, 50, runs Noro Group, a $3.5 billion Dutch investment fund in real estate and venture capital. And brother Frederik, 56, runs Flint, a private investment company in Amsterdam.—**Katarzyna Wandycz**

BRENNINKMEYER FAMILY
Too Big To Hide

The super-secretive Brenninkmeyers are also super-diversified geographically. They have built up their U.S. holdings to include eight retail store chains: among them, California-based Womans World Co., Uptons Department Stores, based in Georgia, and Eastern Mountain Sports Inc., based in New Hampshire. Estimated combined annual sales are reportedly $575 million.

In West Germany the Brenninkmeyers' C&A stores' sales were $4 billion in 1987 (the latest available).

In Britain, the Brenninkmeyers run the C&A operation as an unlimited company; this exposes them to potentially unlimited financial claims, but saves them from disclosing much financial information. According to Verdict Research Limited, a London-based market research company, C&A is now Britain's fourth-largest clothing retail chain, with over 100 stores and estimated sales of almost $1 billion. Profits? Easily $60 million or so, even in the U.K.'s currently cool retailing environment.

Add in sundry retail operations in France, Switzerland and Brazil plus a complex real estate empire, and the Brenninkmeyers are worth at least $5 billion, and probably much more than that.—**Katarzyna Wandycz**

SWITZERLAND

WALTER HAEFNER
Inspired By Forbes, Sort Of

★ More than one billionaire owns racehorses, but how many ever ride to victory in a race? Walter Haefner, 79, whose wholly owned Careal Holding in Zurich puts him on our list, is one who has: He won the 1962 European cup for amateur riders. Nowadays, he's into easy riding and raising Thoroughbreds on farms in Ireland and Lexington, Ky.

He emerged from relative obscurity in June 1987, when the biggest U.S. systems software company, Computer Associates, merged with his 58%-owned Uccel, and he wound up with 21% of Computer Associates, a slice now worth over $650 million.

Haefner has good business instincts—he sold his business interests in Iran at a profit just prior to the Shah's overthrow, for instance. Way back in the early 1960s he founded a computer service company to calculate time payments for his and other companies. That was bought by Dallas-based UCC, also a computer service company, and Haefner received a minority stake. But UCC went bankrupt trying to compete with AT&T. "I faced the situation whether to write off my investment or take over the company," Haefner recalls. He got some motivation from . . . FORBES. When an article appeared in these pages in 1983 questioning the feasibility of restructuring UCC, he and the GE executive he had brought in turned to each other and said, "We'll show 'em." Under the name Uccel, they eventually showed us.

Haefner was one of seven sons of a poor missionary to Tibet. Wartime gasoline rationing gave Haefner his first business opportunity. Using 26,000 Swiss francs in savings, he marketed charcoal generators for cars. After the war, his Amag car import business boomed, first selling British and American jeeps, and then the "big hit"—Volkswagens. From that he built his fortune. Today, Amag has the exclusive Swiss rights for Volkswagen, Audi, Porsche and the Spanish-made Seat, and also owns the valuable real estate under many of the car dealerships.

With an eye to liquidity, Haefner wanted to take 25% of Amag public this spring, but the weak Swiss stock market stopped that plan. None of his three children (he has been married four times) seems keen to run the business, and Haefner is paving the way for a smooth inheritance. Meanwhile, he plays the piano, raises orchids, and waits for his next horse to come in.—**Philip Glouchevitch**

STEPHAN SCHMIDHEINY AND FAMILY
Divided They Prosper

By design, there is no Schmidheiny family empire. Rather, the family has organized its affairs so that able and motivated family members are sole owners of their own businesses. That way there's no confusion over who gives the orders, and who takes credit and blame. In this way the fourth generation of Schmidheinys remains commercially potent in Switzerland.

Daniel Boschung

Thomas Schmidheiny

RDZ

Stephan Schmidheiny

There are three Schmidheiny brothers: Stephan Schmidheiny, 42; Thomas, 44; and Alexander, 39, who has minor business interests. There's also a cousin, Jacob Schmidheiny, who runs his own domain, which was split off in an earlier generation.

Thomas Schmidheiny owns the world's largest cement company, Switzerland's Holderbank. He used to own West Germany's troubled optics firm Wild Leitz A.G. (maker of the Leica camera line), but sold it to brother Stephan in the past year.

Stephan Schmidheiny's operations are the largest. His Anova Holding, based in Hurden (near Zurich), owns all or part of: a newspaper distributorship; a fast-food chain; the Swiss Eternit group (construction materials), inherited from his father; Asea Brown Boveri; watchmaker SMH (which makes Swatch); and real estate and banking assets. Stephan Schmidheiny is as unbureaucratic as they come. Only six executives (plus some support staff) run Anova's entire $2 billion-plus (net worth) empire. This is a by-product of putting individual family members in charge of their own businesses.—**Philip Glouchevitch**

HANS HEINRICH THYSSEN-BORNEMISZA
Bullish On Gauguin

Baron Thyssen-Bornemisza continues to manage the family art. It's one of the world's great collections, worth

A. Venzago/Magnum

Baron Thyssen-Bornemisza

over $1 billion and considered second only to that of the Queen of England. He added to it last May by buying a noted Gauguin, "Mata Mua," at a Sotheby auction for $24 million. Son George, 38, a lawyer by training, runs the family business, most notably the Thyssen-Bornemisza Group (shipping containers, farm machinery and much else) which says it had net income last year of $52 million on sales of over $3 billion.

Baron Hans' grandfather, August Thyssen, built the famous steel company and shipping companies as well. Hans' father married a Hungarian baroness and took the name to get the title, denounced Hitler in 1939 and moved to Switzerland with the shipping companies. He also built up the art collection, buying cheap in the Depression 1930s, but it was scattered at his death. Hans reassembled most of it, piece by piece, and added to it as well. Nearly 800 of the 1,300 or so paintings, all held by a Bermuda-based trust, are on loan to Spain's Ministry of Culture for ten years and are now on display near the Prado in Madrid. The rest may be seen at Villa Favorita, the baron's residence in Lugano. Curators in Britain, Spain and Switzerland have courted the baron, 68, but in vain. What he will eventually do with his fabulous collection is not known.—**Philip Glouchevitch**

PAUL AND MAJA SACHER-STEHLIN

They Won't Sell

The last sucker to believe the perennial rumor that the heiress to the Hoffman-LaRoche fortune would sell control was ICN Pharmaceuticals. It bought an 8.6% share in Hoffman-LaRoche in that hope for $180 million, but it got off lucky: A rising market let ICN sell the shares back to the company in 1988 for a $30 million gain. Yet the rumors persist.

Now, a complicated company restructuring makes it plainer than ever that control will not shift. A 50-for-1 stock split, effective this August, plus a rights issue and related moves, have broadened the market in shares that formerly sold for a forbidding $150,000 apiece. The split may also make the shares better currency for acquiring other pharmaceutical companies, but not a vehicle for selling out. The majority of the voting shares, worth at least $1.1 billion, remain in the caring hands of the Hoffmann family, in particular 93-year-old Maja Sacher-Stehlin. The company is thoughtfully issuing dividend-rights certificates that the family can sell to buy the new bearer shares (these are the ones that vote) that will emerge from the restructuring.

Photos by RDZ

Paul Sacher, Maja Sacher-Stehlin

Ignore the mortality tables, too. Maja inherited control on the death of first husband Emmanuel Hoffmann in 1932, and soon married conductor and patron of the arts Paul Sacher. She had three children by Emmanuel, but none by Paul. Her second son, Lukas, sired four grandchildren. These heirs evidently value control of the family patrimony over dividends.—**Philip Glouchevitch**

AUSTRIA

SWAROVSKI FAMILY

The China Card

The picturesque village of Wattens, in Austria's Tyrol, is a long way from China. But Wattens' cosmopolitan Swarovski family has established a business there nonetheless: They're part of a joint venture that sells finished jewelry near Shanghai. Do the Chinese have the money to buy precious stone jewelry? The venture "appears to function," says a cautious company spokesman. He points out that jewelry is a traditional Chinese hedge against inflation, which had been roaring before the recent student demonstrations. (The Swarovskis have set up a similar jewelry venture in Thailand.)

Kevin Galvin

Daniel and Manfred Swarovski

What the Swarovskis are really known for, of course, is their near-monopoly on the world's rhinestone business. The company, established four generations ago by Daniel Swarovski, had sales last year of 1 billion Swiss francs (international headquarters are in Zurich), or about $600 million, and is said to be enormously profitable. To that must be added their 50% stake in Zale's in this country, the world's largest jewelry retailer, with sales last year of $940 million. The Austrian company is diversified slightly: Optical equipment (like binoculars) accounts for around 15% of sales, and the company also has a line of glass animal figurines and crystal jewelry bearing the Swarovski name. The Swarovskis plan to put more emphasis on retail sales in the future.—**Philip Glouchevitch**

SPAIN

MARCH FAMILY

Spanish Bulls

Spain is booming, and you can play it like a billionaire through Corporación Financiera Alba. The March family's cement company, Alba, guided ~~by bil~~lionaire brothers Juan and Carlos

A.G.E./Woodfin Camp

Carlos March

March, by 1986 had become a public investment vehicle. Alba is now a major investor in Spanish banks, brewers, food distributors and construction companies. The March boys are said to invest privately in some of the Alba deals.

Alba has also been buying real estate. It bought 20% of Formentera Interplan, which owns eight hotels and a ferry line in the Balearic islands of Menorca and Formentera. (The Marches' grandfather, Juan March, who founded the dynasty by helping to finance Franco in the 1930s, was known as the Balearic Smuggler.) Alba has also invested in commercial and office space in Barcelona and Madrid, and in two shopping centers.

The brothers' biggest acquisition: Banco Urquijo Unión, Spain's tenth-largest bank. Last December Alba and Banca March, the family's 100%-owned bank, together paid some $450 million for this leading industrial investment bank.

More recently, Banca March has reduced its stake in a joint venture with National Westminster Bank from 36% to 10%, for $88 million. Some observers say the Marches want cash for still more acquisitions. Makes sense. The Marches are obviously bullish on their dynamic country's prospects.—**Katherine Weisman**

BOTIN FAMILY

What A Smart Bank Looks Like

Would that America's S&Ls—or its money-center banks, for that matter—had been run half so well as the number four bank in Spain.

Unlike other Spanish banks now bracing for 1992, and therefore preoccupied with mergers or restructuring at home to compete with larger, more competitive-minded European banks, Banco Santander is already in good shape. Results in 1988 were terrific—net income up 47%, the dividend up 40%. Its big Latin American market has little real exposure; its LDC debt, never a big risk, has been 100% reserved since 1986. Santander is building up in safe Puerto Rico and cutting back in politically dangerous Panama. In March Standard & Poor's gave Santander its highest rating—A-plus—for a planned commercial paper issue in New York, where the bank has also quietly listed its stock. In Spain, only the Kingdom of Spain and Telefónica de España hold this rating.

The Botin family has managed Santander for more than 30 years. They expanded steadily and carefully, acquiring, sources say, at least 25% of the bank (only 5% shows) worth upwards of $1.4 billion. And they go to the office. Emilio Botin, 54, took over as chairman in 1986. "For us, competition means the world's top banks," he said in his 1989 address to shareholders, "and the marketplace is the markets of the European Community." Santander has bought a small bank in West Germany and one in Belgium, and pieces of banks in Italy and Portugal. And in a deal signed last October with Royal Bank of Scotland, Great Britain's fifth-largest bank, Santander bought 9.9% of Royal Bank, to become its largest shareholder, and Royal Bank in turn bought 50% of Santander's new German and Belgian acquisitions.

Santander stock is pretty safe acquisition currency. While the Spanish government encourages large banks to control the market in their shares, observers say Santander doesn't need to do this. But the real appeal is more fundamental. Analyst Chris Davis of Barclay's de Zoete Wedd sums it up: "The more important thing is that there is management in depth behind that bank . . . There are no delusions of grandeur. That's the sort of thing I like."—**Katherine Weisman**

RAMÓN ARECES

The Richest Man In Spain

Now 84, Ramón Areces is Spain's biggest retailer, with his posh El Corte Inglés ("The British Style") department stores and discount Hipercor hypermarkets. With $3 billion in sales, El Corte Inglés is five times the size of its nearest competitor, but it has a weakness nonetheless.

Dating to Spain's autarky under Franco, El Corte owns some of its manufacturing suppliers. This is fine for now, but with 1992 Areces' competitors may switch suppliers at will, buying for the best prices whatever the increasingly sophisticated Spanish consumers want. Areces can do that only at some cost to his manufacturing operations.

A.G.E./Woodfin Camp

Ramón Areces

Areces is looking beyond Spain's borders. One possibility is resurgent Portugal. And since 1981 he has owned southern California retailer Harris Co., a seven-store chain in high-growth San Bernadino with 1988 sales of $89 million. Whatever his plans, he won't lack for financing. El Corte builds and owns all its stores, nearly all of which are in prime downtown locations. "No bank is a major lender to that company," says one analyst close to the company. "They can finance most things themselves." Many analysts put Areces' worth north of $5 billion. FORBES is persuaded $2 billion-plus for El Corte Inglés alone is safe.

What will happen to this empire when Areces—a widower who, says a company spokesman, has no children—is gone? Rumors abound, but according to one source, the Don Ramón Areces Foundation, which offers research grants, could inherit the company.

Alas, not much reliable is said about Areces, except that he is Spain's richest man.—**Katherine Weisman**

SWEDEN

HANS AND GAD RAUSING

And Now, Famous Amos

Tetra Pak Group, built on a unique system of packaging that keeps milk (and other perishable liquids) unrefrigerated on store shelves for weeks or months, has a simple motto coined by company founder Ruben Rausing, Hans and Gad's father: "A package should save more than it costs." Tetra Paks save enough to generate worldwide sales of $3 billion and a history of profit levels (lately unreported) that suggests the Rausings own a company worth maybe $7 billion.

Their chief executive, Bertil Hagman (Hans is chairman of the board; Gad teaches archeology at the University of Lund), insists Tetra Pak is a Swedish company. Given that the Rausings reside in the U.K., the company is registered in the Netherlands and headquartered in Lausanne, Switzerland, who would argue otherwise?

Tetra Pak remains strongest in Europe, where Hans has spearheaded early discussions with Soviet officials on joint ventures, including a fruit

Hans Rausing

Gad Rausing

juice packaging plant in Lipetsk and a packaging materials plant in Kiev. The U.S. division, established in 1977, is making slow but steady inroads, as the list of products using Tetra Pak aseptic cartons grows (except for milk; Americans don't seem to like the taste of the sterilized milk required). Look for Gatorade, Southern Comfort egg nog (liquorless), White Rock fruit drinks and Famous Amos Chocolate Flavoured Drink to join several brands of fruit juice for kids, Minute Maid products and Lipton Iced Tea.—**Philip Glouchevitch**

INGVAR KAMPRAD

California Bound

The Ikea company is like its founder-owner and the Scandinavian furniture he sells: simple, with an emphasis on fundamentals.

From the first store opened by Ingvar Kamprad in the small Swedish town of Almhult in 1953, Ikea has grown to some 80 outlets in 20 countries; 1988 sales grew over 13%, to $2.3 billion, and expansion continues apace as far afield as the U.S. and the U.S.S.R. In the U.S., besides stores outside Washington, D.C., Baltimore and Philadelphia, two are planned, near Pittsburgh and Elizabeth, N.J.

A copycat outfit named Stor has popped up in California. Imitation may be the sincerest form of flattery, but not to Ikea, whose federal lawsuit claims copyright and trademark infringement and, for good measure, unfair competition. Trial is scheduled for September. It is not clear when the first California Ikea will open, but there's no question Kamprad has coast-to-coast ambitions.

The Russian connection is a lot smaller, as befits a struggling less developed country with a backward economy and nonconvertible currency. No stores, but a new factory with Swedish machines and low-wage Soviet workers in the town of Priozersk to produce karel pine furniture for export to a developed country—Sweden. Plans are under way to open a store in Budapest in 1990 or 1991, the first in Eastern Europe.

Ingvar Kamprad

Meanwhile, Kamprad, 63, has turned daily operations over to President Anders Moburg, but retains control through a Dutch foundation from his comfortable tax exile in Switzerland, where he also runs Ikano, the family holding company that handles Ikea's credit card business, owns land under Ikea stores and makes other investments.

His net worth is easily over $2 billion.—**Philip Glouchevitch**

FREDRIK LUNDBERG AND FAMILY

How Buying Swedish Works

★ For the Lundberg family the road to riches led first to real estate and then to the Swedish stock market. Lundbergforetagen, founded in 1944 by Fredrik's father, Lars Erik, began as a building contractor. It got rich enough to start holding on to what it built in the late 1950s. Today, father, at 69, is chairman of the board, and the chief executive since 1981 is Fredrik, now 38 years old.

Fredrik, with a degree in civil engineering and one in business administration from the Stockholm School of Economics, has changed things. He sold some stock to the public in 1983 to enable him to buy out the half-interest of his sister, Eva Holmren Larsson. She took 930 million kronor in 1984 ($143 million at today's rates) and moved to the U.K.

Fredrik, whose preferred shares give him 90% voting control, looked around. He knew real estate, didn't much like what he saw in Sweden, but at the time a Swedish law (since repealed) forbade Swedish real estate companies from owning property outside the country. Not to worry: "It was obvious that the Swedish stock market was very undervalued," says Fredrik.

The Lundbergforetagen company soon had large stakes in Alfa Laval (agro-industrial), Incentive (conglomerate of medium-size industrial companies), Siab (building), Modo (newly formed pulp and paper company) and Ostgota Enskilda Bank (150-year-old regional bank that has begun to "outgrow its region"). A Swedish bull market ensued: The portfolio is now worth over 6 billion kronor, just under $1 billion, and the company's own stock has nearly tripled in the last five years.

Fredrik also still presides over almost 4 million square feet of residential and commercial real estate in Stockholm and other Swedish cities worth roughly $1.2 billion. His Lundbergforetagen shares fall slightly short of $1 billion, but the premium for his control would easily put Fredrik alone over the mark, according to Sven-Ivan Sundqvist, an authority on Swedish business, even without sister Eva's nest egg in the family.

Despite the tremendous runup, Lundberg doesn't think the Swedish stock market is too high. He says he plans to continue investing. But he hasn't forgotten his real estate roots. Like many other rich Swedes, Fredrik finally moved into tax exile near Zurich three years ago with his wife and two young children. He recently established a Dutch holding company, out of Sweden's reach, which already has several real estate investments on the continent and is poised to make more.—**Philip Glouchevitch**

MIDDLE EAST

SAUDI ARABIA

SULIMAN SALEH OLAYAN

The Pleasure Of Diversification

Perhaps the best known of the Arab billionaires, 70-year-old Suliman S. Olayan has been busy during the past year. In October his Olayan Group supplied $600 million in bridge financing for the $1.1 billion merger of First Boston with its European affiliate, Crédit Suisse First Boston. (The financing shell for the deal, sso Ltd., took Olayan's initials.)

Robert Azzi/Woodfin Camp

Suliman Saleh Olayan

Indirectly, through holding companies, and directly, Olayan maintains a broad portfolio of stock investments in American companies worth hundreds of millions of dollars. Among them, according to 13-D filings and various sources, are Transamerica, First Chicago, Thermo Electron, Mobil, Occidental Petroleum, Chase Manhattan and J.P. Morgan & Co.

While his international investing draws most of the attention, Olayan is still quite active in his native Saudi Arabia, where he started his career by working in oilfields and then forming a construction company. His Olayan Financing Co., for example, has more than 30 joint ventures with foreign firms. Not surprisingly, the news back home is not as good. Olayan is chairman and estimated 11% owner of the Saudi British Bank (assets, $2.9 billion), which lost $67 million last year, entirely as a result of a one-shot provision for bad loans that bank officials say will allow an immediate return to profitability.

Olayan himself remains exceedingly liquid. Despite significant debt to Saudi lenders, he is still worth more than $1 billion.—**William P. Barrett**

JUFFALI FAMILY

Power Brothers

Saudi Arabia is undergoing severe economic retrenchment, but it isn't down to its last dime. Projects, though smaller and fewer, are still being built, and E.A. Juffali & Brothers is getting its share of new construction business. As a result, the family firm probably remains the kingdom's largest private business outside of financial institutions, a position held for many years. It has done so partly by forming joint ventures with many foreign companies and aggressively bidding on local construction projects and other proposals.

The prosperity of the Juffali organization dates back to 1950, when the three Juffali brothers—Ebrahim, Ahmad and Ali—built and opened Saudi Arabia's first electric power supply system. It just happened to power air conditioners in the mountain town where the royal family had its summer palaces. Pretty soon, the Juffali boys were electrifying the country's growing cities. They also became the Saudi distributor for Mercedes-Benz—and dozens of other items, including electrical products. The Juffalis and the Saudi royals still enjoy cordial relations, so the Juffalis continue to have an inside track.

Robert Azzi/Woodfin Camp

Ahmad Juffali

Ahmad Juffali, 65, now directs the family fortune. The Juffalis have in recent years invested significantly in Western projects, including U.S. real estate and hotels. This, too, has helped the Juffalis maintain a fortune estimated at $1 billion despite Saudi Arabia's current economic problems.—**William P. Barrett**

AL-RAJHI FAMILY

A Bankable Name

Lucky were the Saudi Arabian investors who enthusiastically absorbed the public offering last summer of shares in the money-changing-business-turned-bank owned by the four Al-Rajhi brothers. Al-Rajhi Banking & Investment Corp.—the felicitous acronym is ARABIC—floated about 43% of itself for $26.70 a share, or $86 million. Less than a year later, the stock was up to $160, valuing the Al-Rajhis' 52% stake—the rest is owned by employees—at around $625 million. That's pretty dear for a business that reported a mere $8 million in 1987 profits, especially since the Al-Rajhis are believed to have kept for themselves many of the better assets of the old money-changing business.

On the other hand, the Al-Rajhis—Suliman, Salih, Abdullah and Mohammad—have shown for four decades they know how to make money. Historically, money-changing in Arabia was a kind of service-oriented nonbank bank, enabling individuals to remit funds abroad and make after-hours deposits of surplus funds. The Al-Rajhis were the biggest of the breed, particularly during the oil boom, when they skilifully invested a daily float that sometimes topped $4 billion. The Al-Rajhis reluctantly became a bank at the insistence of government regulators.

Five years ago, before the price of oil plunged, the family probably had a net worth of $5 billion. Declining Arabian property values helped erode their fortune. But the family has been active in ventures all around the world, including real estate in the Washington, D.C. area.

Thanks to that, and to the investing Saudi public, they still must be worth far over $2 billion.—**William P. Barrett**

ABDUL-AZIZ A. AL-SULAIMAN

Risk Diversifier

The key to being a superrich, nonroyal Saudi these days is to have invested outside the kingdom before the oil bubble burst.

Such an individual is Abdul-Aziz A. Al-Sulaiman, 58, who parlayed a cement company into a fortune estimated at about $1 billion.

Al-Sulaiman is the son of Saudi Arabia's first finance minister, Abdullah Al-Sulaiman, who received an exclusive franchise to import cement. A pretty good perk in a place about to experience one of history's great building booms. Young Abdul-Aziz, who was briefly educated at Lafayette College in Easton, Pa., added to this formidable base in the 1950s by forming a new company to import and sell Datsuns and other foreign goods in the kingdom.

Abdul-Aziz A. Al-Sulaiman

Years ago, Al-Sulaiman began channeling some of his capital outside Saudi Arabia, into hotels, financial service companies, banking, real estate and venture capital firms. So the calamitous oil bust that swept the Arabian peninsula in the early 1980s has had only a limited impact on his personal fortune.—**William P. Barrett**

BIN MAHFOUZ FAMILY

Impeccable Timing

The past year has been full of challenges for the Bin Mahfouz family. They control the National Commercial Bank of Jeddah, Saudi Arabia's oldest and largest (assets, $21 billion) bank. The Cyprus-based bank rating agency Capital Intelligence says the family sold its 30% stake in the Luxembourg-chartered Bank of Credit & Commerce International, worth maybe $120 million, just six weeks before BCCI was indicted in the U.S. on drug money laundering charges. Impeccable timing.

Salim Ahmed Bin Mahfouz

Meanwhile, the National Commercial Bank wrestled with a severe case of troubled loans. Just last month, it was forced to sue in New York courts to foreclose on a posh apartment that fallen financier Adnan Khashoggi bought with a $22.25 million loan. The bank reported operating income of $258 million during a 16-month fiscal year ending last Dec. 31, but all the money went into reserves for loan losses.

Shed few tears, though, for the family. Led by patriarch Salim Ahmed Bin Mahfouz and his son, Khalid, the Bin Mahfouz clan runs the day-to-day operations of what is the largest bank in the world owned by a partnership (with the Kaki family). Their 60%-plus holding in National Commercial is worth more than $300 million.

And like other Saudi Arabian billionaires, the Bin Mahfouzes have huge investments around the world in real estate—such as the Cebu Plaza hotel in Manila—and financial institutions; many of these are held through one of their holding companies, Middle East Financial Group, as well as in the names of individual family members. All told, the Bin Mahfouz family is worth—still—at least $1.5 billion.—**William P. Barrett**

KUWAIT

AL-GHANIM FAMILY

Through Boom And Bust

The past year has been the best in a long time for little Kuwait: The end of the nearby Iran-Iraq war has prompted a significant rise, so far, in local real estate values. The prosperity is particularly good for the Al-Ghanims, who have long had important shipping, electronics, auto and food-importing businesses in their Al-Ghanim Industries holding company, along with juicy real estate. Starting with a local trade in kerosene in the 1930s, they added in the 1940s what became possibly the world's most profitable General Motors distributorship.

Long before oil prices headed south, the family was investing in the West, especially in the U.S., where Yusuf Al-Ghanim and his son, Qutayba, formed AI (for Al-Ghanim Industries) International Corp. as their leading investment vehicle. With their links to GM, it was not surprising that the Al-Ghanims entered the auto parts business in the U.S., forming AI Automotive Corp. and buying up rival jobbers and distributors to create one of the nation's largest such companies. How successful this venture has been is not totally clear. Trade publications say the company has sold or closed a number of its distribution locations.

Yusuf Al-Ghanim

No matter. The Al-Ghanims have been in business in Kuwait for more than 50 years, through boom and bust. Their total net worth remains above $1 billion.—**William P. Barrett**

MOHAMED ABDUL MOHSIN AL-KHARAFI

Chunnel Player

The cessation of the Iran-Iraq war and the end of Kuwait's mild (compared to Saudi Arabia's) economic slump have both been very good news for Al-Kharafi, the 76-year-old patriarch of a formidable banking-construction-real estate empire. Al-Kharafi chairs and owns about 15% of the National Bank of Kuwait (assets $12 billion), generally regarded as the best run in the Persian Gulf. It certainly is one of the most profitable. The bank officially reported 1988 profits of $109 million, up 15% over 1987, although some experts say the actual profits are double the reported figure. The bank is a significant player in international lending; it is, for instance, one of the underwriters in the English Channel tunnel link between England and France and even brought a Finnish bond issue to market in Kuwait.

Al-Kharafi Industries is the country's largest builder, aggressively bidding on projects large and small. During the oil-fueled boom times of the late 1970s and early 1980s, it accumulated huge surpluses. The family also has extensive real estate holdings in Kuwait and other countries. Prominent Middle East investors estimate the Al-Kharafi family fortune at $1.5 billion.—**William P. Barrett**

Mohamed Abdul Mohsin Al-Kharafi

AL-MARZOOK FAMILY

Army & Navy Game

For many years the wealthy of the Middle East have invested in British real estate. The Al-Marzook clan is no exception. In April the family reportedly paid $48 million to buy the mansion overlooking London's Green Park that houses the prestigious Army & Navy Club, whose president is Prince Philip. Look for a rent increase, too; the club now pays less than $900 a month.

The purchase was another indication that the Al-Marzooks have held on to their wealth, estimated at well over $1 billion. Many of their fellow tycoons earned their money in trading or construction and then moved the proceeds into real estate. The Al-Marzooks, though, basically started with property. They operate through a myriad of companies, including Kuwait International Investment Co., Kuwait Real Estate Co., Kuwait Real Estate Bank, Financial Group of Kuwait—and on the side, Kuwait's *Al Anbaa* newspaper and Pearl Investment Co. of Bahrain. Some family members even operate a swank fashion store in Kuwait. Much of the family's investing is outside the Middle East—in the U.S., Europe and Japan, including real estate and banks. But by no means all. For family leader Khalid Al-Marzook, the rebounding Kuwaiti economy is turning 1989 into a very good year.—**William P. Barrett**

BAHRAIN

KANOO FAMILY

Blessing In Disguise

Bahrain's Kanoo clan operates one of the largest business empires in the Persian Gulf. Bahrain (pop. 400,000) is a tiny island-nation in the Persian Gulf just off Saudi Arabia that has profited mightily over the years as a transportation and commercial crossroads. Besides shipping, the Kanoo Group, as the organization is known, is in importing, insurance, banking and trading. The family's current leader, 66-year-old Ahmed Ali Kanoo, is also chairman of the National Bank of Bahrain.

The Kanoos not only dominate Bahraini business but are major players in Saudi Arabia as well, where many family members live. The crash of oil prices? Yes, it hurt the clan, but the good years were so good that the well-diversified Kanoo family holdings are still believed worth around $1 billion.

Originally the Kanoos were major factors in Persian Gulf pearl diving—a thriving industry that died in the 1930s after a big hurricane wiped out the oyster beds. The disaster was a blessing in that it forced the Kanoos to diversify. By comparison with the hurricane, the drop in oil prices was only a breeze for this adaptable family.—**William P. Barrett**

Kanoo family members

LEBANON

RAFIK BAHAUDDIN HARIRI

Ultimate Challenge

Son of a poor Lebanese businessman, Rafik Hariri rose to wealth in the late 1970s and early 1980s by winning billions of dollars of construction contracts from the Saudi Arabian government. He started with no royal family connections and, in the Saudi scheme of things, probably had to share some of his profits with senior princes who helped him get the business. But he also quickly developed a reputation for getting the job done on time and on budget.

Rafik Bahauddin Hariri

Hariri has been an active international investor, much of it through his Paris-based Mediterranean Investors Group. His investments include interests in banks, buildings and construction companies in Europe and the U.S.

On the negative side, the near-collapse last year of Paris-based Al Banque Saudi, in which Hariri had a significant stake, cost him maybe $30 million. Some U.S. real estate holdings also may have declined in value. But even after factoring in these reverses, Hariri's fortune is still estimated at well over $1 billion.

Still only 44, Hariri has continued his efforts to bring about a sustainable ceasefire in his native, war-torn Lebanon. Some say he harbors a desire for the ultimate political challenge: to become Lebanon's prime minister some day.—**William P. Barrett**

SAFRA BROTHERS

Competing Well Is The Best Revenge

The Safras, with family wealth estimated at more than $1.5 billion, are true globalists. Raised in Lebanon, Edmond J. Safra lives in Geneva on a Brazilian passport. His brothers Moises and Joseph live in Brazil, where they run Banco Safra, the country's 12th-largest bank and reputedly one of the most profitable.

Edmond, 58, last year put up $200 million of his own funds for a 21% stake in newly created Safra Republic, a Geneva-based banking operation that already has become one of the fastest-growing in the world. Safra Republic (with more than $4.3 billion in assets) is 49% owned by New York-based bank holding company Republic New York Corp.—itself more than one-third owned by Safra, who serves as its "honorary chairman." In addition, Edmond has many other assets, including two small banks.

With Safra Republic, Safra hopes to duplicate the success he enjoyed from Geneva's Trade Development Bank. He established TDB in the 1960s and in 1984 sold it to American Express for $550 million in stock, which he eventually sold after a split with American Express management. Gossip says a major motive in establishing the new Swiss operation was to get back at American Express for pushing him out of his earlier Swiss creation.—**William P. Barrett**

TURKEY

VEHBI M. KOC

What's Turkish For "Sandbag"?

★ The Koc family is new to these pages this year. The fortune traces to the aftermath of World War I, when many Christian merchants fled Turkey, leaving behind a significant business vacuum. Into this commercial void stepped the family of Vehbi Koc, small-time Ankara grocers with big-time aspirations. Pretty soon the Koc (pronounced "coach") family business was repairing government buildings and acting as agent for such Western companies as Ford. Young Vehbi helped organize Koc Holdings in the mid-1920s.

Thanks perhaps to tough bans on foreign imports, the Koc business grew steadily over the years through startups, acquisitions and joint ventures with Western companies, which supplied parts for assembly in Turkey. Thus, Koc made Peugeot and Fiat cars, and Ford trucks. All this gave Vehbi, who enthusiastically adopted Western management techniques, a well-earned reputation as the Henry Ford of Turkey.

The really dramatic growth, though, has come in the last 15 years, largely under the export-oriented policies of Prime Minister Turgut Ozal. Koc Holding's sales doubled from about $500 million in 1973 to $1.1 billion in 1977, then tripled to about $3 billion in 1983. Today, Koc is Turkey's greatest industrial organization, with 1988 sales of $5.7 billion. The sprawling empire embraces more than 115 companies and owns more than 20 of Turkey's 500 largest companies. Besides vehicles, Koc companies produce food, manufacture textiles, underwrite insurance, conduct banking, build buildings and operate tourist projects. Although there is some public ownership and significant debt, the Koc family's holdings are easily worth $1 billion.

Now 88, Vehbi Koc has turned Koc Holdings' day-to-day control over to his son Rahmi, 58. But the old man is energetic and full of surprises. In 1985, for example, Koc took the occasion of a well-attended Istanbul business luncheon featuring then-U.S. Secretary of State George Shultz to rebuke the guest in public over American textile import policy. Caught completely off guard, Shultz sputtered to the delighted audience, "Do you have a word in your language for 'sandbag'? "—**William P. Barrett**

SABANCI BROTHERS

The Stuff Of Legends

★ Turkey, struggling to enter the ranks of developed countries, would seem an unlikely home for billionaires, but its Sabanci family has built such a fortune from a family cotton trading oufit. (It is said, possibly apocryphally, that six or seven decades ago 14-year-old Haci Omer Sabanci walked 300 miles through rural Turkey to find a job as a cotton worker.)

From cotton trading it was a relatively easy step to banking. In 1948 the by-then-prosperous Sabanci family established Akbank, named after Haci's birthplace of Akcakaya, and in 1954 moved the head office from the provinces to relatively cosmopolitan Istanbul. The Sabancis were in a good position to participate in the nascent import-substitution industrialization of Turkey.

The legendary Haci Sabanci died in 1966, but he left the business in good hands. Five sons now run Sabanci Holdings, which has become one of Turkey's leading industrial/financial organizations, and has put the Sabancis on our world billionaires list for the first time this year.

Akbank, its most important asset, is managed by Erol Sabanci. Akbank is Turkey's fourth-largest bank but first in profits ($151 million last year), with one of the world's highest returns on assets. Capital Intelligence, the Cyprus-based bank rating agency, considers Akbank to be Turkey's soundest bank.

Sabanci Holdings (1987 revenues, $3.7 billion) controls 15 of Turkey's 500 largest companies, concentrated in electronics, cement, tires, plastics, textiles and foodstuffs. The ownership structure is byzantine, but the family seems effectively to own at least 95% of the many-tentacled group. Allowing for debt, that stake is worth something like $1.5 billion. Sabanci Holdings, chaired by Sakip Sabanci, has extensive interests in electronics, textiles, cement and foodstuffs.—**William P. Barrett**

CITIZEN OF THE WORLD

THE AGA KHAN IV

Flying High

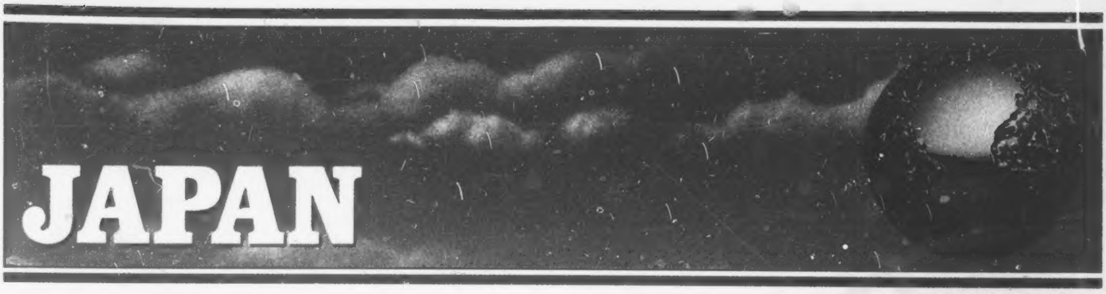
For the last 32 years, the spiritual leader of millions of Ismaili Moslems has been the Aga Khan IV, whose real name is Karim El-Husseini. His followers tithe him an estimated $100-million-plus a year, which is no small change. But he is better known in some circles as an airline/hotel tycoon.

Last year Fimpar, the publicly traded Italian holding company he controls, shelled out $20 million for majority ownership of Hispania, one of Spain's largest charter airlines. The Aga Khan already has Alisarda and Avianova airlines, both of which are rapidly expanding throughout Italy and nearby countries. Other Fimpar holdings include the Ciga chain of luxury hotels in Italy, the just-purchased Hotel Meurice in Paris, and a minority share of Austria's Imperial Hotels.

Baldev/Sygma

The Aga Khan IV

For his personal account, the Aga Khan, 52, has a large piece of the ritzy, 10,000-acre Costa Smeralda tourist complex on the island of Sardinia, which he and a group of investors started developing in the 1960s. Through his Aga Khan Fund for Economic Development, a profitmaking company he owns, the Aga Khan presides over a far-flung empire of largely Third World enterprises. He also owns 500 Thoroughbred horses, many of them champions, and a formidable stock portfolio. Educated in the U.S. (Harvard '59), the Aga Khan lives on an estate near Paris, carries a British passport and is worth at least $1.5 billion.—**William P. Barrett**



JAPAN INDUSTRY

SEIJI TSUTSUMI

Another Overseas Street

A part-time poet and novelist, the head of $25 billion (sales) Saison Group is bold in business, unlike richer half-brother Yoshiaki *(which see)*. Thus, Seiji built the unfashionably located department store he inherited into a 100-company empire with supermarkets, restaurants, travel agencies, insurance and consumer credit.

Take his swift $2.15 billion purchase of the Inter-Continental Hotels chain last fall, one of the largest overseas acquisitions by a Japanese company. It is Seiji's most aggressive foray overseas, too, but by no means the only one. He likes partners outside Japan. For Inter-Continental, Tsutsumi hooked up with Scandinavian Air Systems in April to manage the 101-hotel chain. In 1987 Tsutsumi joined the Rockefeller group, among others, to buy a hotel in Scotland, and lately Saison has been talking with Intourist about building and managing hotels in the Soviet Union. Seibu Department Stores plans a branch next spring in Hong Kong and further moves into Singapore and Taiwan with local partners.

Kyodo Press

Seiji Tsutsumi

Rapid expansion has a price. According to one source, Seibu, his original core company, alone carries some $1.6 billion in loans that virtually wipe out profits.

Some in Japan interpreted the Inter-Continental purchase as a challenge to half-brother Yoshiaki Tsutsumi, who runs one of Japan's best-known hotel chains. Both are rumored to be after the famous Hilton chain. Such talk is an old tale. Their father, Yasujiro, a successful entrepreneur, left most of his assets to Yoshiaki, the more obedient son. Some lines of Seiji's poetry hint at why the imperious old man favored Yoshiaki:

"I am what I am
So I joined no club
Even with those I love I spoke only inside my heart
And so I built my streets one by one."—**Gale Eisenstodt**

MORITA FAMILY

Just A $14 Billion Sideline

★ "Sony is merely a venture business for the Morita family," says Hideo Morita, vice president of the Morita group of companies and son of Akio Morita, the chairman of Sony. Hideo, 37, likes to remind people of where the family fortune began. In its 324-year-old sake and soy sauce company. His father, Akio Morita, had been slated to become master brewer at the Nagoya sake plant. But independent-minded Akio had other ideas. He won his father's permission to join with Masaru Ibuka, a World War II navy buddy, and start an electronics company. In 1950 the company produced Japan's first tape recorder, but its big break came when it bought Japanese patent rights for a new gadget invented in the U.S.: the transistor.

Seed money for Sony came from the old family company. Akio frequently turned to his father for loans to expand and paid back in Sony stock. So today Raykay, a Morita subsidiary, holds 6.6% of Sony, together with Akio's shares worth about $1 billion.

Andrew Popper/Picture Group

Akio Morita

Sony has become a legendary success. And the old family business? It's doing great. It's diversified into food distribution and convenience stores. Raykay, under young Hideo Morita, is scouting out new selling channels, including a direct sales division. He is also developing a resort in Niigata prefecture.

Hideo, reflecting on Sony's success, is frank in admitting that Japan has not always played by the rules in international trade. Says he: "My father's generation knew they were playing by different rules from the West when it came to trade, but they pretended they didn't understand the rules. That's why they won. My generation knows that we have to play by the same rules [as the West observes]."—**Gale Eisenstodt**

TADAO YOSHIDA AND FAMILY

Survival Of The Fittest

No thanks to Japan's supposedly efficient Ministry of International Trade & Industry, Tadao Yoshida built Yoshida Kogyo into the world's leading zippermaker. "The Japanese govern-

Robert Wallis/J.B. Pictures

Tadahiro Yoshida

ment never considered zippers an important industry," says Tadahiro Yoshida, the founder's son. "My father always felt the government protected the auto industry at his expense."

Ironically, in the 1980s, as Japan's automakers have moved overseas, MITI now holds up the $3.2 billion (sales) Yoshida Kogyo as a model multinational corporation—with zipper factories in 40 countries, YKK had long ago gone overseas to respond more quickly to the needs of local apparel manufacturers. The company reinvests its overseas profits in additional growth and grants local managers considerable autonomy. At home the Yoshidas have built an aluminum building materials business that now accounts for 70% of sales.

Founder Tadao Yoshida, now 80, is in poor health; son Tadahiro runs things. He reminds FORBES that his father was not shy about criticizing the government for coddling certain industries and believed that YKK's strength lay in the fact that the company had to build its own financial muscle, and had to avoid the glut of managers that make many big Japanese firms, by Yoshida Kogyo standards, inefficient. The Yoshida family still owns around 27% of the company, a stake worth some $1.3 billion.—**Gale Eisenstodt**

KANICHIRO ISHIBASHI

Watch Out, Goodyear

Observers who expected Japan's Bridgestone Tire to lie low and quietly digest its $2.6 billion acquisition of Firestone Tire & Rubber last year got a shock. At year's end Bridgestone announced a further $1.5 billion investment to be spent over three years to streamline Firestone's operations; and in February another $350 million for a new plant, in Tennessee. Bridgestone is also working at beefing up the overseas sales networks. Clearly Bridgestone is not content to be the world's number three tiremaker. Goodyear and Michelin, watch out.

What does all this mean for the family of Bridgestone's late founder, Shojiro Ishibashi (whose surname translates to "stone bridge")? A lot. Before the Firestone deal, Bridgestone seemed to be falling behind. Dominant in its home market, the 58-year-old company was not following the Japanese car manufacturers overseas. But Firestone brought it plants in North America, Latin America and Europe. Now Shojiro Ishibashi's son Kanichiro is honorary chairman, and the Ishibashi family's Bridgestone stock alone is worth over $1 billion. The Firestone purchase will probably augment that value considerably.—**Gale Eisenstodt**

Toshi Matsumoto/Sygma

Kanichiro Ishibashi

JUNICHI MURATA

"They Hate Us"

★ Not all Japanese billionaires owe their fortunes to real estate. Murata owes his to a clever product—the facsimile machine—well produced and stubbornly marketed. Matsushita, Ricoh, Toshiba and Canon laughed when Murata Machinery first started selling facsimile machines, but now the Kyoto-based manufacturer makes about 12% of the fax machines produced in Japan and recently introduced the first fax machines for less than Y100,000 ($680), setting a new price threshhold. "They hate us," Murata, 53 and a new name among our billionaires this year, says of his mainline competitors.

Founded by Junichi's father, Murata Machinery made textile machinery (still 50% of revenues) and later added machine tools and other industrial goods. Junichi took over in 1969 and launched the facsimile business in 1973. "I wanted a product that had a different business cycle than industrial machinery." At one point he paid the Boston Consulting Group to assess his potential; they told him to pull out.

Murata followed his instincts. By 1982 he was setting up a U.S. sales network. He hired R. Michael Franz away from Burroughs to run it and gave him almost complete autonomy. "A Japanese president would be easier to communicate with, but he'd concentrate on pleasing me rather than his U.S. customers," explains Murata. Franz targeted the home-office segment with faxes short on features but high in dependability and low in price. This year the U.S. division probably brought in about 20% of operating profits. Overall last year, the privately owned company earned around $70 million on sales of $1.1 billion. At prevailing Japanese market multiples, the company is worth around $1.8 billion.

Now Murata Machinery is developing other office automation equipment, but Murata recalls that it took the company ten tough years to turn a profit on fax machines. "My father came from a farming family and he made me farm when I was young,"

Robert Wallis

Junichi Murata

Murata says. "I hated it, but I learned that to produce something good there are no short cuts. Manufacturing is like farming. You will never see the instant profits of a stockbroker."—**Gale Eisenstodt**

KEIZO SAJI

Safe No More

When they drink, Japan's hip young consumers generally like imported prestige brands—Johnnie Walker, Ballantine, Moët and the like. Once prestigious Suntory Old is considered an old fogey's drink. Sales plunged from 11.3 million cases in 1980 to 5 million cases last year. This is bad news for the Saji clan, which owns over 90% of Suntory, the predominant Japanese distiller.

Philip J. Griffiths/Magnum

Keizo Saji

Keizo Saji's father founded Suntory in 1899. For most of his life Saji, now 69, had contentedly concentrated on Japan, safe behind huge tariffs and other barriers. But now the liquor barriers are coming down. Suntory's 70% market share in whiskey and 22% in wine is still strong. But the company's exposure in the beer market is being threatened by last year's overheated dry beer war.

Saji's reaction? A tie-up with Britain's Allied-Lyons, a leading liquor and food company, last year. Suntory took 2.5% of Allied-Lyons, and sold it 1% of Suntory. Suntory is negotiating to use the Brits' global network to export its products, and will import the Brits' brands—including Canadian Club, Courvoisier cognac and Ballantine scotch; these will be sold exclusively in Japan through Suntory's distribution network.

In short, there could be a strong new competitor on the world spirits scene, one with deep pockets. Saji and family are worth some $3 billion, and they are going far beyond modest investments in foreign wineries (France's Chateau Lagrange, California's Chateau St. Jean).—**Hiroko Asami**

MASAHITO OTSUKA

No Kidding?

Thirteen years ago Masahito Otsuka turned over Otsuka Pharmaceutical, the company his father founded and that he expanded into one of Japan's most profitable drug companies, to his sons. But Otsuka is still "adviser" to the company. "When I feel a mistake is being made," says the charming, 72-year-old businessman, "I give my advice."

What kind of advice? There is Otsuka's secret of success: *"Kinben, setsuyaku"* (work hard, be economical). There is his advice to invest in land: "In business, there's always the fear of going bankrupt. But if you have some land, you can always come up again. Never think that a company is safe from bankruptcy." And there is his feeling that a good business should stick to basic necessities—food, medicine and housing.

The advice seems to work. The family owns some 30% of Otsuka Pharmaceutical, the main company, with sales of about Y258 billion ($1.7 billion) and profits of about Y10 billion ($68 million).

Robert Wallis

Masahito Otsuka

A frugal man, like many Japanese of his generation, Otsuka had little time for hobbies. At last, he now has plenty for golf. Not so his sons. When he handed his sons the companies (one runs the drug business; the other runs affiliate Otsuka Chemical), he took away their golf club memberships on the grounds that they would no longer have time for such pastimes. When they resisted, he says he countered: "If you don't want to give me the memberships, you don't have to become president."

What goals does Otsuka still have before him? "If I live until I'm 80," he replies with a mischievous smile, "I would like to go to the U.S. for about six months and do all the things that we're forbidden to do here . . . like smoke grass. Then I can die content."—**Nobuko Hashimoto**

MATSUSHITA FAMILY

"Mokarimakka?"

That's "Have you made some money?" in Osaka dialect; reportedly it was Konosuke Matsushita's favorite greeting. The legendary founder of Japan's giant Matsushita group hoped to live to see the 21st century. But he had long been hospitalized, and died earlier this year of pneumonia at the age of 94.

Ethan Hoffman

Konosuke Matsushita

Matsushita was widely mourned in Japan, where he was hailed as the "god of management." Among his many famous precepts was the "tap water" philosophy: It is the duty of industrialists to supply daily goods abundantly and cheaply to consumers, like water from the tap.

Konosuke was born to an old landlord family. But his father went broke speculating in commodities and Konosuke had to leave school. In 1918, when he was 23, he set up shop making electrical sockets and plugs, and took off from there.

Two Matsushitas are left among the company's excellent professional managers: son-in-law Masaharu Matsushita, chairman; and an only grandson, Masayuki, 43, a director. Many suspect Masayuki will be groomed for the presidency of Matsushita Electric, the group's flagship company. Keeping the presidency in the family would be a popular move with the employees, and Masayuki has come up the corporate ladder quite swiftly.

Meanwhile, Matsushita Electric is considering buying in the late founder's stock, not a bad deal for the family. At current prices, this would provide some $1.7 billion in ready cash for Matsushita's heirs, and already Japan's gossip columns have come up with plenty of long lost relatives claiming rights to the inheritance.—**Nobuko Hashimoto**

HISAKICHI YAMAGUCHI

Kim Il Sung's Western Connection

★ The Japanese have always treated Korean-born businessmen living in Japan as second-class citizens, but Hisakichi Yamaguchi has prospered nonetheless. Born in what is now North Korea, Yamaguchi is founder and president of $1.7 billion (sales) Daiwa Can. He is 78 and has long shunned the press, so very little is known about him. This marks his first appearance among our billionaires.

The veil was pierced somewhat earlier this year. An Asahi publication reported that Yamaguchi and a close associate were behind-the-scenes intermediaries when Chung Ju-Yung *(which see)*, founder of South Korea's giant Hyundai, made high-visibility trip to North Korea in January.

Why Yamaguchi? Several years ago, said the Asahi publication, Yamaguchi proposed to North Korean dictator Kim Il Sung a resort hotel project. Apparently the North Koreans were interested in the idea, but Yamaguchi could find no Japanese companies that were willing to participate; none wanted to risk damaging relations with South Korea.

But now there are tentative signs of thaw between the prosperous south and dilapidated north; could Yamaguchi yet do business in Pyongyang?

Who is Hisakichi Yamaguchi? Back in 1939, when Korea was still a Japanese colony, he started a cork company in Osaka; in 1950 he moved into cans. A technical tie with the U.S.' American Can Co. got Yamaguchi the most advanced production equipment available.

It is said that Yamaguchi was friends with Yoshihiro Inayama, the late chairman of the powerful Japanese Federation of Economic Organizations and former chairman of what is now Nippon Steel. Today Nippon Steel owns about 33% of Daiwa Can, and Daiwa is the second-ranking can producer in Japan. Yamaguchi owns 47.5% through a holding company; at prevailing multiples that stake is worth about $2.5 billion. He also owns half of a $200 million (sales) machine tool maker and assorted real estate. Regarding mergers, one of Yamaguchi's sons is married to billionaire Kenkichi Nakajima's *(which see)* eldest daughter.—**Gale Eisenstodt**

MURAYAMA FAMILY

Paper Billionaires

★ On Jan. 25, 1879 Ryohei Murayama went to press with the first edition of the *Asahi Shimbun.* A thin four pages, it was the cheapest of the five dailies in Osaka, written in a simple manner and illustrated with ink sketches of local scenes for the broadest possible public. In 1881 Murayama put up two-thirds of the initial capital of 30,000 yen (today about $204), and Riichi Ueno, hired on to help manage the paper, put up one-third, to buy out the local merchant who originally financed it.

Thus began $2.5 billion (sales) *Asahi Shimbun,* Japan's second-largest national newspaper, circulation around 12 million (including morning and evening editions, about 20% of the newspaper market). There are also interests in television and radio and numerous magazines. At prevailing Japanese multiples, the value of the family's share in the paper and its subsidiaries exceeds $1 billion.

Today the Murayama family owns over 40%, the Uenos some 20%. Michiko Murayama, Ryohei's granddaughter, jointly with Junichi Ueno holds the position of "owner," a strictly honorific title given descendants of the founders.

But the Murayamas have at various times taken the title literally and attempted to exert authority. Ofuji (a.k.a. Fujiko) Murayama, the founder's only daughter, waged a long battle to do just that. At the 1963 shareholders' meeting, the Murayamas refused to confirm the nomination of a managing director who opposed some of Fujiko's plans. That led the Uenos and other stockholders to pool their shares into a group with some 50%, reining the Murayamas. There matters have rested since.

Last spring Fujiko died at age 91. Japan's enormous inheritance tax has forced many a family to sell stock but few Asahi insiders expect the Murayamas to relinquish those shares and the potential power that comes with them. After more than 25 years, the fight goes on.—**Gale Eisenstodt**

HISASHI ISHII

The "Stalin Crash"

As far as FORBES' list of billionaires goes, Ishii is the only Japanese billionaire who made his money in Tokyo's *Kabutocho*, or stock market. From a farming family, Ishii arrived in Tokyo after the war and got a job in a stock brokerage firm. At 30, he forecast the famous "Stalin Crash" on the Tokyo Stock Exchange, so named because it coincided with the death of the Russian leader in 1953.

Capitalizing on his reputation, that same year Ishii founded his own brokerage firm and later went on to take over then-ailing Tachibana Securities. Last year Tachibana earned Y8 billion, about $54 million. The Ishiis now own over 80% of the company, which at prevailing multiples is worth around $2.6 billion.

The brokerage continues to expand. To its London office it added one in Hong Kong last year. It is said that

Hisashi Ishii

Ishii has plans to upgrade Tachibana to a *Sogoshoken*, an all-around securities company, like the bigger outfits that can handle underwriting.

Last December Ishii, now 66, stepped up to the chairmanship and turned the presidency over to a successor. He turned over his stock column as well. But he isn't leaving the market.—**Nobuko Hashimoto**

SHOJI UEHARA
Fresh Blood

The Ueharas, who became billionaires in the pharmaceutical business, take no chances with heredity. If no scion presents himself for leadership of the family businesses, they adopt a suitable candidate and give him the Uehara name. Shoji, 61, now Taisho Pharmaceutical's chairman, was a nephew of former chairman Shokichi's wife, and was adopted into the family. Akira, 48, the president and heir apparent, Shoji's son-in-law, is now also a Uehara.

So far the formula works. Akira Uehara joined Taisho in 1977 after 11 years at NEC, bringing a concept he learned working on a project with Honeywell in the U.S.: management by objective. So now Taisho division managers present their own projects and deadlines quarterly, which Akira synthesizes to give direction to the company. The idea is to encourage innovation yet force managers to set realistic goals. "You used to simply reduce costs to increase market share but now you need to introduce something new," explains Akira.

Robert Wallis/J.B. Pictures

Shoji Uehara

Taisho's strong marketing channels have kept it at the top of the over-the-counter market, but the Ueharas are moving the company into ethical drugs. How aggressively? The company has traditionally avoided debt but last October issued about $200 million in convertible bonds for new manufacturing facilities.

"The first generation worries about whether things are selling and whether there is enough cash. The second and third generations step into a profitable company and must think in a broader sense of ways to make it grow," sums up Akira.—**Gale Eisenstodt**

RYOICHI JINNAI
Das Finanzkapital

Jinnai came from a poor farm family, got into college, and became a Marxist agitator. His labor union activities lost him his government job in 1950, and he had to look for ways to survive. He eventually discovered moneylending and became one of the early *sarakin*. (*Sarakin* is a popular abbreviation for "salaryman's financing.") Charging legal interest rates in excess of 100% a year, Jinnai's firm, appropriately named Promise, grew rapidly. Like other *sarakin*, it also alienated more than a few Japanese working men. Eventually, in 1983, the government cracked down on the *sarakin*. Jinnai's company, one of the biggest, survived—it earned about Y9.3 billion last year, enough with Japanese multiples to make its 63-year-old owner and chairman a billionaire.

But times are changing, and the companies have been cleaning up their act. And coping with competition from the banks and even retailers. The government's current rate ceiling on consumer finance is about 54.75%. But Jinnai's Promise is meeting the competition by offering loans at between 25% and 32%. A sign of the times.—**Nobuko Hashimoto**

YASUO TAKEI
Harder Times

The many outlets of Takei's company, Takefuji, bear the familiar neon signs saying "Yen Shop," a reminder that Takefuji is the largest of Japan's consumer finance companies. Now 59, Takei started Takefuji in 1968 to exploit the lack of consumer finance for ordinary Japanese. Takefuji and other *sarakin* were able legally to charge annual rates as high as 109.5%. At those rates money really compounds, and Takei is today worth upwards of $1 billion.

Zaikai

Yasuo Takei

To finance Takefuji at the lowest cost, Takei went multinational. He borrowed extensively from foreign banks such as Barclays, National Australia Bank and Mellon Bank. But the company says it is now able to get cheaper financing back home.

With Japan's rapid development have come harder times for the *sarakin*. There is now a legal 54.75% per annum ceiling on consumer lending rates. Takei's top rate is currently 32.8%. Meanwhile, mainstream commercial banks have been pushed by Japan's Ministry of Finance into consumer lending, providing tough competition for Takefuji.

HATTORI FAMILY
Watch Out

★ The Hattori companies will be a good test of inherited money: a business empire well worth straightening out, but plenty of temptation to just let it slide. The business was started by Kintaro Hattori, who in 1881 opened a watch and clock retail store. This became $1.9 billion (sales) Hattori Seiko, Japan's second-largest watch company, recently overtaken by Citizen. In 1937 Genzo Hattori, the founder's eldest son, opened the separate Seiko Instruments; it is now a $980 million (sales) watch, electronic components and measuring instru-

Kyodo Press

Reijiro Hattori

ments manufacturer. From this also grew what is now Seiko Epson, the $2.7 billion computer and watch manufacturer, also established with family money.

These compose the Seiko Group, today a loose federation of four main companies and numerous subsidiaries with complex and often competing interests. Hattori Seiko is the only public company of the lot (the Hattoris own 40% directly or indirectly). The Hattoris are also majority owners of the otherwise separate Seiko Instruments and Seiko Epson.

For decades the early Hattori family businessmen held all this together, albeit loosely. But in 1987 Ichiro Hattori, Seiko Epson's dynamic ruler, died, followed shortly by Kentaro Hattori, the person most capable of unifying the group's diffuse interests. Now Reijiro Hattori, 68, and the founder's grandson, is group chairman, but for the first time outsiders are appointed to top positions in all four companies. Collectively, the Hattoris' corporate and property assets are quite likely worth over $2 billion. But whether the family has what it takes to make the companies work together still remains to be seen.—**Gale Eisenstodt**

KENKICHI NAKAJIMA

"Money Is A Wanderer"

As more Japanese companies adopt the five-day workweek, the pachinko parlor business is booming, and with it Nakajima's fortunes. His family's 88%-owned Heiwa is the biggest manufacturer of Pachinko machines (pachinko is the Japanese equivalent of pinball).

Nakajima, a Japanese citizen who came from Korea, struggled hard to build Heiwa, and still struggles to be first with newer and more competitive games. He recruits the best designers and spends heavily to apply the latest chip technology to his machines.

Now Nakajima has his eyes on other ventures. He commissioned a French architectural firm ("I wouldn't choose them unless they were famous") to build what he hopes will be "Japan's number one golf course."

Entirely self-made, Nakajima is now a multibillionaire. How does he feel about being rich? "An ideal wealthy person should have, besides a roof over his head, about Y1 billion [$6.8 million]," he replies. "It doesn't make much difference if he has much more. You can't go around wearing a coat made of pure gold, nor can you eat food ten times a day. In fact, it's probably better not to have too much because it creates an imbalance between yourself and the environment." He adds that one should not take money for granted: "Money is a wanderer and stays only as long as it wants to."—**Nobuko Hashimoto**

Robert Wallis/J.B. Pictures

Kenkichi Nakajima

KIYOSHI SAGAWA

Time Saver

In Japan as much as in the U.S., time is money, which made the old Japanese Transport Ministry ban on transport vans traveling from one province to another so blatantly wasteful that the ban was finally struck down in 1953. Now same-day or next-day delivery service in Japan has a secure niche in the frantic pace of Japanese life. One of the best in the industry: Sagawa Kyubin, its logo a running man, and largely owned by self-made founder Kiyoshi Sagawa, 67. Its operations in busy Tokyo alone make an estimated 200-million-plus deliveries a year.

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Kiyoshi Sagawa

Part of Sagawa's success seems to have been his incentive system, making each courier responsible for getting new orders and collecting money as well as making deliveries. This formula probably evolved out of Sagawa's own experience as a courier when he was young.

With a business and other wealth collectively worth about $1.8 billion, Sagawa ranks among the biggest individual taxpayers in Japan each year. He is also a noted conspicuous consumer; among other things he has sponsored singers, actors and sportsmen, and made donations to restore a famous temple. His private home in Kyoto is huge, and is reported to have its own artificial pond. A good role model, perhaps, for the oversaving Japanese.—**Nobuko Hashimoto**

TAKENAKA FAMILY

The Takenakas Are Coming

For centuries Japan's premier construction company, the Takenaka family's Takenaka Komuten, is trying its hand as a real estate developer in the U.S. It built the Hotel Nikko, in San Francisco. The U.S. could be seeing much more of the Takenakas, who by all accounts are smart cus-

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Toichi Takenaka

tomers. And large ones: Takenaka Komuten's annual revenues are now over Y1 trillion, close to $7 billion at current exchange rates.

The current president, 46-year-old Toichi Takenaka, is an internationalist who got his M.B.A. (in marketing) at Michigan State University. The company has had an office in San Francisco since 1960 and has built around the world: an airport terminal building in Abu Dhabi, the whole new airport in Singapore and the Japan-China friendship hospital in China, for example.

At home the Takenakas are known for innovative architectural work, as well as for introducing foreign construction techniques to their country.

If Takenaka Komuten were a public company rather than privately owned by the family, it would be valued at between $4 billion and $5 billion—a substantial amount even when measured by Japanese billionaire standards.—**Nobuko Hashimoto**

KUMAGAI FAMILY
Into The Breach

The lifeblood of some family companies runs thin in the third generation, but at Kumagai Gumi—the giant construction firm—it thickened. The early Kumagai family members were more interested in politics than business. They left management largely to a talented and trusted aide, Jinichi Makita, who became chairman in 1978 and died in 1987 at age 94.

Into the breach strode Taichiro Kumagai, now 56, the founder's grandson. As a young man, Taichiro spent one year as a trainee at an American construction company, and has looked outward ever since: With Makita, he is responsible for transforming his domestic-oriented civil engineering firm into a major world player. He paid his dues, taking low-margin work in places like Indonesia and Malaysia that diluted profits but gained the company presence and experience. Now Kumagai has shifted to more lucrative markets in the U.S., Hong Kong and Australia—and shies away from competitive bidding. He likes to put together and invest in his own projects. The America's Tower, to be completed next year in midtown Manhattan, is one example. And in Hong Kong Kumagai will build a tunnel and retain the right to charge tolls for 30 years.

Robert Wallis/J.B. Pictures

Taichiro Kumagai

Back home Kumagai is benefiting from the private construction boom in office buildings and factories. The company is renowned for advanced tunnel construction techniques. This should be a plus as the government begins awarding contracts for new subway projects.—**Gale Eisenstodt**

KAWAMURA FAMILY
Takeover Artist

★ Shigekuni Kawamura, president of Dainippon Ink & Chemicals, is a bold hunter of U.S. companies. "Acquisition is the most efficient way to expand a business," says Kawamura, a new entry to the billionaire ranks.

In 1976 Dainippon Ink bought New Jersey-based Kohl & Madden Printing Ink Corp. for some $6 million. Three years later he paid $70 million for Yonkers, N.Y.'s Polychrome Corp. In 1986 Kawamura made the first hostile takeover attempt by a Japanese company of a U.S. company; this won him the graphic arts division of Sun Chemical. Then he paid $540 million in an unsolicited bid for Reichhold Chemical Ink. Most recently, in March, Dainippon Ink bought a division of Pittsburgh-based Koppers Co., for an estimated $78 million.

Kawamura himself doesn't have to worry about unfriendly overtures. Although publicly listed, the company is largely a family affair. Founded in 1908 by Kijuro Kawamura, Dainippon Ink grew from a family printing ink business into a large diversified chemical concern. Shigekuni, a graduate of New York University's business school, married the daughter of Katsumi Kawamura, then president of Dainippon. He took his wife's last name and was legally adopted into the family.

With about 17% of the stock in three holding companies with various business and real estate interests, the Kawamura family's fortune comes to about $1 billion. Kawamura has an edge in the acquisition game. Firmly in control, he can make significant decisions quickly. "I have more power than most leaders at Japanese companies," he says with a smile.

Kawamura has acquired firms whose businesses he has known for a long time. And unlike some Japanese companies that come here, Dainippon Ink keeps Americans in charge. "The most important issue when making an acquisition is the postacquisition problem [of running the company]," says Kawamura. "I don't think the Japanese can run an American company, for now, anyway."—**Gale Eisenstodt**

Bill Bernstein

Shigekuni Kawamura

MASAO KATO

How Sweet It Is

★ Masao Kato, chairman of Kato Kagaku, was yet another unknown quantity in the West when he purchased an office tower on East 49th Street in Manhattan in 1986 for $300 million. He paid a record price—$470 per square foot—and many Americans were shocked.

But in Kato's case, his fellow Japanese were even more startled. How did a corn syrup maker from Nagoya, a medium-size city, wax rich enough to plunk down that sum, about $100 million of it in cash, for Tower 49? Last October Kato Kagaku did it again, paying $250 million, about one-third in equity, for the Hyatt Regency Chicago, the city's largest hotel. With yields of 7% to 8% in the U.S. versus Japan's 2% to 3%, Kato realized the U.S. was a good deal.

Masao Kato, now 72, founded Kato Kagaku in 1945. At first the company produced malt syrup, like Hayashibara *(which see)*. In 1968 it began manufacturing corn syrup. Today the company, which produces some 2,000 tons per day of starch syrup, is the largest manufacturer of corn syrup in Japan. His eldest son, Shoichi, is now president. Another son, Sadao, spent one year at NYU and now works on the U.S. real estate. All this, plus hotels and real estate in the Nagoya area, gives the family company and a holding company a net worth, at prevailing multiples, of over $1 billion.

But the family fortune isn't just syrup and real estate. Kato is also an avid stock market investor. Some say he deals in "speculative stocks," but Kato would surely disagree. He booked profits of $150 million on his stock portfolio in 1986, which he used to invest in real estate. And in the panic selling of October 1987, Kato was a buyer, snapping up some 30 million shares of this and that at bargain prices.—**Gale Eisenstodt**

Masao Kato

KEN HAYASHIBARA

Be Small, Think Smart

Only 47, Ken Hayashibara is one of the youngest of Japan's billionaires. He was only 19 when he took over the business amid a family tragedy and dirty dealing by company executives. Since then he has quietly built Hayashibara Group, founded in 1883 as a malt conversion rice syrup manufacturer, into a pharmaceutical group whose companies grossed over $340 million. (They also own a big portfolio of valuable real estate in Okayama, Osaka and Tokyo.) Headquarters is in Okayama prefecture, around 700 kilometers west of Tokyo.

Toshi Matsumoto/Sygma

Ken Hayashibara

How does a relatively small biotech outfit like this compete against the world's huge drug companies? Hayashibara does it by avoiding direct competition against the giants, by working out marketing and production agreements with the larger companies—and, most important, by spending heavily, usually 6% of sales, on research and development. With established businesses providing the cash flow, he can sustain this level of R&D indefinitely. This has so far produced some 5,000 patents in disciplines ranging from biotechnology to electronics. In order to market his products, Hayashibara has contracted with 50 companies, some as far away as Denmark.

A quiet and modest businessman, Hayashibara is not afraid to declare: "I hate to work," and can frequently be found practicing meditation or karate.—**Hiroko Asami**

MASATOSHI ITO

By Low Cost Obsessed

Not all Japanese businessmen are obsessed with owning land. For his Ito-Yokado chain of 135 discount stores, Denny's Japan (318 outlets for "authentic American" food), and several other outlets, Masatoshi Ito prefers leasing to owning. Leasing keeps capital costs down. Keeping costs, and prices, low is Ito's obsession.

As a result, Ito-Yokado's profitability beats any rival in its increasingly competitive field, according to *Nihon Keizai Shimbun*, the business newspaper. Ito and his family's 14% stake in the company and their holding in 7-Eleven Japan are now worth $1.7 billion. With more time and money in Japan for shopping, the fortune will likely keep growing.

Ito, now 65, has pioneered American retail concepts in Japan since his first visit to the States in 1960. Yet despite Ito's strong record, some analysts fret that his no-frills approach may very well cost him business. Ito-Yokado's competitors are more intense than ever, and Japanese consumers are obsessed with quality and service. Ito has not been as aggressive as rival Daiei in venturing into another American invention, consumer credit; but he has shown himself to be flexible before.

If consumers want something and Ito can offer it profitably, chances are that this brilliant merchandiser will.—**Nobuko Hashimoto**

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Masatoshi Ito

JAPAN REAL ESTATE

YOSHIAKI TSUTSUMI

Still The World's Richest Man

Last fall, Yoshiaki Tsutsumi, still the world's richest man, turned down the chance to buy the Inter-Continental Hotel chain. His poorer billionaire half-brother, Seiji Tsutsumi *(which see),* jumped at the opportunity and paid $2.15 billion. Yoshiaki Tsutsumi explained to a Japanese publication that he didn't have "the excess wealth" to buy the hotels at that price by himself, and didn't want partners. "When it comes to the resort business, I don't believe in joint management in principle," he was quoted as saying. These days he is rumored to be after Hilton Hotels (current market capitalization, $4.6 billion), possibly again in not-so-friendly rivalry with his half-brother.

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Yoshiaki Tsutsumi

Yoshiaki Tsutsumi, 55, could certainly afford either property. True, our estimate of his net worth, at least $15 billion, is down from 1988's $18.9 billion, but that's mostly due to the recent rise in the dollar exchange rate, plus finding a smidgen of more debt.

If money isn't holding him back, what is? His cautious style. Tsutsumi probably doesn't want to take that big a flier in the less-familiar world outside Japan.

Tsutsumi controls his Seibu empire—an important railroad, Seibu Construction, the Seibu baseball Lions, and a web of other companies—through Kokudo Keikaku Corp., a holding company of which he directly owns 40%. The holding company owns land under golf courses, ski resorts and other businesses that is worth some $34 billion, plus nearly $7 billion in various Seibu company stocks, minus, according to one source, a mere estimated $770 million in debt (we count only the 40% actually in Yoshiaki's name).

His widely noted conservative style is attributed to the fact that he inherited the fortune from his father, Yasujiro. "He feels like he must protect the family business," says a Japanese business writer who meets with him.

Earlier this year Tsutsumi handed on the title of president of Seibu Railway to Iwao Nisugi, whom he recruited in 1986 from what is now Japan Railways. Few expect real change. Tsutsumi had entrusted day-to-day management to Nisugi and is expected to continue making the significant decisions. "I like creativity but my successor should not be a creator," Tsutsumi is quoted as saying. That's not the sound of a man who is willing to risk a big loss.—**Gale Eisenstodt**

TAIKICHIRO MORI

Natural Price Rise

"With the advent of the two-day weekend, Japanese have more time to play," Mori assures FORBES. How will Mori play it? Conducting business in his usual traditional dark kimono, Mori says his Mori Building will more than double the resorts it operates over the next five years.

But he is not abandoning the Tokyo market. His jewel is Ark Hills, a complex of office towers, condos, a hotel and even a concert hall, built for the foreigners flooding Tokyo. To be completed in 1992 in the same Minato-ku district will be Shiroyama, a similar complex where Japanese executives can also live a few minutes from work. In a city where brutal, two-hour commutes (each way) are common, Shiroyama should sell well.

Robert Wallis/J.B. Pictures

Taikichiro Mori

Mori, now 85, became the world's second-richest businessman (our estimate drops to $14.2 billion because of the rising dollar, and debt overlooked last year) mostly by transforming Minato-ku, the Tokyo ward where he was born, from a neighborhood of little wooden houses into a glass and concrete commercial center. Today Mori owns 72 office buildings in Minato-ku.

Expect Mori to stay primarily in Tokyo. He has little interest in Osaka, Nagoya and Fukuoka, where speculators have recently sent land prices into orbit. We asked Mori, who taught economics until he was 50, about downtown Tokyo land prices, which are officially up only 2% this year as compared with 65% in 1988. "Up until now, land price increases reflected the natural prices plus speculation," Mori replied. "Gradually, the speculative element is disappearing and the natural price is appearing." Translation: The real value of land is still going up.—**Gale Eisenstodt**

EITARO ITOYAMA

Free Agent

As the Recruit scandal discredits the old guard of Japanese politics, 47-year-old Eitaro Itoyama is working to bring fresh young people to leadership within the ruling liberal democratic party while maintaining the party's grip on government. A billionaire when he inherited his father's wealth—mostly real estate—in 1985, Itoyama has great political influence but prefers to use it discreetly. Last March Itoyama quietly launched his own political group, the Heisei Club, with 25 young fellow members of the ruling party. He tells FORBES he is wary of talking too much to the Japanese press because "we'd be snuffed out straight away by the party elders." But now he is getting bolder. Itoyama predicts younger politicians will seek to stage a sort of coup d'état within the party. With his support, presumably.

Itoyama is not one of your provincial Japanese. He is in touch with events abroad. He is a worldly-wise man. "I can't go to sleep until I know what the stock prices are in New York," he remarks. On trade, he is more than just another free-trade

Eitaro Itoyama

advocate. Itoyama proposes a new order: Japan, U.S., Canada and Mexico in a sort of north Pacific "community," in which all barriers come down, really down. "Everything should become equal, investments should become free, with member countries allowed to visit each other without passports," he says.

Itoyama, worth at least $6.6 billion, left us with a bit of his wisdom, especially apt in these days of highly leveraged businesses. 'You shouldn't underestimate the strength of someone who has no debts . . . a group of companies, wholly owned by myself, with no debts. That's what real power is."—**Nobuko Hashimoto**

KITARO WATANABE

T. Boone's Good Buddy

In March, T. Boone Pickens spent $600 million to buy 20% of Koito Manufacturing, an auto parts maker with a strong relationship with Toyota. The seller: Kitaro Watanabe. The deal unsettled Japan's establishment, but so far Pickens has done little more than ask for seats on Koito's board.

Zaikai

Kitaro Watanabe

If the sale was a big deal to T. Boone, it was a sideline to Watanabe. His main business is real estate, with a nice sideline in selling imported cars—luxury vehicles priced over $82,000, including Rolls-Royce and Mercedes-Benz.

Peddling domestic used cars, then imported new ones, was actually the foundation of his real estate fortune: He bought the land under his car lots in the 1960s (when it was cheap), and then bought much more land. With a good hunk of it luckily located in Tokyo's now fashionable Azabu district, he rode prices into the stratosphere—his 99,000 square meters of Azabu are now worth well over Y10 million per square meter. Even after debt of about Y300 billion, his net assets are at least Y1.1 trillion—over $7 billion.

Watanabe is now 55. He now owns some 20 office buildings under his Azabu Tatemono (Azabu building). His plans call for building 30 more soon.—**Hiroko Asami**

SHIGERU KOBAYASHI

Rice For Land

As they become increasingly cosmopolitan, Japan's billionaires are becoming more sophisticated about political and charitable donations. Case in point: Shigeru Kobayashi, the highly leveraged Tokyo landlord who now has $2.7 billion invested in U.S. real estate. He donated $1 million to the Reagan Historical Library and $100,000 to Nancy Reagan's antidrug campaign. Kobayashi and his son Takaji were among the four Japanese invited to the grateful Reagans' official farewell party. (The other two were Japan's ambassador to the U.S., Nobuo Matsunaga, and his wife.)

"Diplomacy should be promoted on various levels, through official channels, but also at the corporate level," says Kobayashi. Backing his words with money, in March Shuwa signed on Kumagai-Turner, a Japanese-American joint venture, to build in Tokyo for him, thereby admitting the first American company into the formerly closed world of Tokyo private construction.

Last year, Kobayashi bought two buildings in Chicago. This year, he is opening a midwestern office. He says he plans to aggressively expand his U.S. holdings, already at 41 buildings.

Robert Wallis/J.B. Pictures

Shigeru Kobayashi

On another front, he told FORBES that he is looking into opening offices in Europe, most likely in Spain, France and Great Britain.

Kobayashi estimates his 54 office buildings in Japan are worth $7 billion. Against that are his immense borrowings, estimated by one source at $4 billion from Japanese banks and $1 billion from U.S. banks.

What of reports that Shuwa has bought heavily into several Japanese retailing stocks? For once, Kobayashi, who is often quite voluble, is keeping quiet. It seems he wants to shake up the retail sector's management. His one comment in the Japanese press: "I want to reorganize the industry, bringing various interests together to create a company with sales of Y1 trillion."—**Gale Eisenstodt**

YOHACHIRO IWASAKI

Word Of Warning

At 87, Iwasaki looks frail and conducts an interview with us through his aide. But that doesn't stop him from enjoying life. For his 88th birthday (considered lucky in Japan), Iwasaki plans to fly with friends and family in a private plane to a major celebration in Australia, where he is building an enormous resort overlooking the famous coral reefs. The business is run by his son, but Iwasaki still travels around to oversee his company's operations. "He is a pioneer-type chairman," explains a corporate officer.

Iwasaki is sometimes called the *zaibatsu* of Kagoshima, the southernmost part of Japan, because he owns so much of it. (He also owns some patches in central Tokyo, Hakone and Okinawa, bought many years ago.)

Iwasaki's main effort has been and still is to develop resorts in the region he loves most—the islands around Kyushu. Lately he has started jet foil services to two islands, both beautiful spots but as yet not easily accessible (one has an extra tourist feature: It is a base for Japan's space program). He has also been negotiating to build airports and resorts for Japanese tourists in Australia and Mexico, both of which are still awaiting permission.

Iwasaki is another of the billionaires who was born into a poor family and became wealthy through a lifetime of buying up land. He has some advice for younger entrepreneurs. "When I bought land, times were different. I wouldn't buy anything now, prices are too crazy!" he exclaimed, through his aide, to FORBES.—**Nobuko Hashimoto**

Kyodo Press

Yohachiro Iwasaki

MASAO NANGAKU
Eclectic Electronics Man

If you gamble at Las Vegas' Dunes hotel-casino, you're adding to Masao Nangaku's $1.1 billion fortune. Besides the Dunes, which he bought two years ago, Nangaku owns a castle in West Germany, a forest on Oahu, Hawaii, and Minami Musen Denki, a huge discount consumer electronic goods shop in Tokyo's Akihabara district that has become a well-known tourist stop. Included in the emporium is the Minami Museum, where you can see, among other things, Nangaku's collection of Salvador Dali's sculptured jewels.

Nangaku, now 70, started with the electronics shop in 1948. But his fortune really exploded when he caught the 1960s bowling boom in Japan just right. Then he caught the leisure boom by going into hotels and resorts, first in Japan, later abroad.

Zaikai

Masao Nangaku

Perhaps because of the intense publicity his various overseas acquisitions generate, Nangaku is shy of talking to the press. He lets his business ventures speak for themselves.—**Nobuko Hashimoto**

AKIKAZU FUJISAWA
Ex-Camera

Fujisawa, 53 years old, started later than Nangaku and looks slightly richer. But he's made his billion in a similar way. He started his own camera discount shop around 1975 and took a lot of heat from the middlemen he cut out so he could retail at cut-rate prices. But consumers loved him: Fujisawa's Yodobashi Camera chain is Japan's biggest discount camera retailer. It is also one of the best-known names in Japan because of the catchy jingle it's been running in TV commercials for over a decade.

Fujisawa operates mostly in Tokyo's high-rent Shinjuku district. Born poor in the north of Japan, Fujisawa has been quoted as saying he has lived only for work. Now he has several huge shops and sells not only cameras but just about every type of electronic product.

Anyone who has watched a group of Japanese tourists in action can appreciate the business a high-volume camera store in Japan does. Fujisawa's annual volume totals more than $480 million. That alone wouldn't put him among the billionaires. What does is this: With the camera money he earned, he bought land in Shinjuku, where he built his other shops. Including his $500 million worth of property, Fujisawa is worth about $1.2 billion.—**Nobuko Hashimoto**

Robert Wallis/J.B. Pictures

Akikazu Fujisawa

HARUHIKO YOSHIMOTO AND FAMILY
He'll Make Do, Somehow

Haruhiko Yoshimoto, 65, takes seriously what his fortune-teller—a good friend who is a Buddhist priest—predicted: Haruhiko must not undertake any new business this year. Accordingly, he halted work on a hotel construction project near Osaka's new Kansai International Airport and a resort on the Inland Sea of Japan. Says Haruhiko: "I am a fatalist."

Robert Wallis/J.B. Pictures

Haruhiko Yoshimoto

But it's apparently still okay to buy land, which, he says, is almost as important to him as being thrifty. And it's okay to look for future ventures. Haruhiko has his eye on a resort project on Okinawa, for instance. He also continues to lecture, to paying audiences, on how to be really tightfisted. (Free hints: Use note paper filched from bank counters instead of stationery and always wait for the other fellow to place the toll call to you.)

Forbes had thought the trillion-yen Yoshimoto Osaka empire was all his. Turns out the Yoshimotos are three related families, and he's just the most famous. The Osaka Hilton, for instance, is actually owned by his second cousin. The Yoshimotos together own about $7 billion worth of Osaka, all right, but Haruhiko's portion is roughly a third of that, about $2.6 billion. Good thing he's thrifty.—**Hiroko Asami**

HIROTOMO TAKEI AND FAMILY

Good Combination

What could be better these days than a fortune based both on media and real estate? And that's what Hirotomo Takei has. Takei's father was a local politician and newspaper distributor. The son began his career as a journalist with *Yomiuri Shimbun*, but quit after three years. Then he started *Asahi Geino*, a "soft" publication featuring screen stars. After selling the magazine, he got into real estate. At latest count, the family's Chisan Group owned 16 golf courses, 36 hotels, numerous buildings and a couple of warehouses, all together worth an estimated $7.8 billion.

Zaikai

Hirotomo Takei

Now 68, Takei dabbles in painting, writing books, and traveling to exotic places, while eldest son Hiroshi looks after Chisan Group's daily operations. The father is still involved in the business. While the Takeis have said publicly they don't like to do hostile takeovers (quite unpopular in Japan), reports are circulating that Chisan has bought up nearly 40% of the shares of Kasho, a medium-size trading company. Japanese press reports say that many of Chisan's acquisitions, however, have been companies that mortgaged shares or property to borrow money from Chisan, and couldn't pay. The company denies this, but now Takei owns, among other things, a Japanese-German delicatessen and a cotton spinning and fishing equipment company. Just the thing for retirement.—**Nobuko Hashimoto**

HEIZO KOBAYASHI

Rice For Land

Immediately after World War II, Kobayashi realized that parcels of land could be had in Tokyo practically for little more than a bag of rice. Thus were relative values back then. When he started a restaurant after the war, he bought land to put it on, and continued to do so for every restaurant he opened. His restaurants eventually became the famous Sanpei chain, now called Restaurant Sunpark.

Kobayashi, who to his disadvantage owned no land before the war, takes pride in the fact that all his commercial ventures (he started opening supermarkets in 1962, then hotels, discount shops, and game centers) stand on land he owns. "How can you do good business if you have to rent someone else's land?" he wrote in his memoirs. He owns land not only in central Tokyo and Nagano, where he was born, but also in Hawaii.

Despite his success, Kobayashi, 76, once bold, is a cautious man. Worth at least $1 billion, he remains extremely frugal.—**Nobuko Hashimoto**

TAMESABURO FURUKAWA

Movies For Cash, Land For Gain

★ Tamesaburo Furukawa celebrated his 99th birthday in January and makes his debut among the billionaires this year. It has been an eventful life. Born a Nakano, he was adopted by the Furukawas, distant relatives who lacked a child. At 16 he was apprenticed to a glass importer. But when the owner decided to donate all his money to a religious sect and close shop, Furukawa launched his own business selling women's hair ornaments. He correctly foresaw the trend to Western styles and in 1917 opened a branch in Tokyo's Ginza, near the Hattoris' *(which see)* tony Wako store.

Kyodo Press

Tamesaburo Furukawa

An economic downturn in 1921 nearly flattened Furukawa. He decided the surest way to conduct business was on a cash basis. This led him to owning and operating movie theaters, and then to restaurants and coffee shops near the theaters. His eldest son, now dead, started the family-run Nippon Herald Corp. in 1957 to import foreign films. Today the Herald Group is said to comprise some 50 affiliates with diversified leisure interests: theaters, the production and importing of films and management of resort properties.

But Furukawa's real wealth—like that of so many megarich Japanese—lies mainly in his investments in land and, to a somewhat lesser extent, in art. Much of the property he now owns in Nagoya he purchased before World War II; toward the end of the war he snapped up more. In the 1960s he started buying whole forests in Aichi and Gifu prefectures. Meanwhile, his collection of brush paintings, swords and wood block prints includes the works of such famous Japanese artists as Sesshu and Kaii Higashiyama; he has put the total value of the art collection at 200 billion yen ($1.4 billion). The land alone we value at around $2 billion.—**Gale Eisenstodt**

MATSUOKA FAMILY

Farewell

Seijiro Matsuoka, well known as a major collector at Sotheby's, Christie's and other art auction houses and to dealers large and small, died in March. He was 95. Born to a family of

Robert Wallis/J.B. Pictures

Seijiro Matsuoka

rice traders, he learned English from a missionary, built a trading business and switched to real estate. He avoided debt when possible.

Matsuoka attributed his longevity to getting plenty of sleep—up to 12 hours a day—and to his custom of eating a bowl of ground Japanese white radish in the morning, having a nightcap at night and maintaining a hobby—in this case, art collecting.

As with the real estate that made him a billionaire, so with his art: Once he bought, he never sold. And he was eclectic. The Matsuoka museum in Shinbashi, in the center of Tokyo, has his collections of Ming and Tang Chinese porcelain, Persian statues, Gandhara statues from India and ancient Roman busts, as well as famous paintings by Monet and Renoir.

Little has been said officially about how Matsuoka's estate will be settled, but his six daughters and their husbands will probably take over his several companies. One daughter is already running the museum; observers doubt she'll be as active at auctions as her father was.—**Nobuko Hashimoto**

HIDEKI YOKOI

Greek Tragedy, Tokyo Stage

More than seven years have gone by since the night of Feb. 8, 1982, when Hotel New Japan, in central Tokyo, burned down. The tragic fire killed 33 people. It was an accident. Nonetheless, the hotel's owner, Hideki Yokoi, now 76, was convicted of accidental homicide and sentenced to three years in prison, for failing to install required fire-prevention equipment. He was let out on bail.

Little has been heard from Yokoi lately, although some details about his past have emerged. Born into a poor family, he was apprenticed to a Tokyo cloth wholesaler in the late 1920s, when he was 15. In the 1930s Yokoi opened his own textile wholesale business. He went on to supply military orders both before and after World War II, and then moved into real estate. In 1979 he purchased the Hotel New Japan, on a large and beautiful site in central Tokyo.

Kyodo Press

Hideki Yokoi

As land prices in Tokyo have continued their upward march, the Hotel New Japan site's value has at the very least kept pace. Well located in central Tokyo, the parcel is valued at some $1.8 billion. The building remains as it was left seven years ago: a burned-out shell. But by some calculations, the site is now worth at least ten times what it was worth at the time of the fire. No doubt Yokoi has had plenty of opportunities to sell, but he has continued to hang on, presumably on the grounds that prime property can only keep rising in value. —**Nobuko Hashimoto**

RINJI SHINO

Paris, Japan

A narrow, unpaved country road leads to real estate billionaire Rinji Shino's country club. The clubhouse looks like a small chateau, for Rinji Shino is a raving francophile. The house is decorated with French-style sculptures, and directions both inside the club and on the golf course are in French. It really does not go well with the surrounding Japanese countryside.

Robert Wallis/J.B. Pictures

Rinji Shino

Shino plans to open a 100-room luxury hotel on the site—in the French taste—costing over $110 million. Guests, of course, will be rich travelers to and from the nearby Kansai International Airport, which opens in March 1993.

And there is action on the 3-million-square-meter woodlot at the west end of Fontainebleau, near Paris, he bought in the early 1960s for $1.5 million and which has a big silicon reserve. "For the development, we are now negotiating with two West German ceramics companies, and the reserve is estimated at at least Y100 billion [$740 million]," he smiles.

Shino now owns restaurant, marine leisure, travel agency and gas-station companies. But especially he owns real estate, bought slowly at first, but always with a passion to restore his old landowning family's empire, expropriated after World War II. Today his daughter, Shigeko, 46, runs the businesses. Shino, at 79, is taking time out to appreciate and buy Japanese art.

Which he can well enough afford. Shino is worth over $2 billion, if you do not count the silicone reserve in Paris, within a whisker of $3 billion if you do.—**Hiroko Asami**

YONEICHI OTANI

Detail Worship

Yoneichi Otani is a second-generation billionaire: With his older brother, Kokichi, he inherited the land his father, Yonetaro, a onetime Sumo wrestler, bought from an impoverished

Robert Wallis/J.B. Pictures

Yoneichi Otani

aristocrat.

The prize family property is the Hotel New Otani, a first-class hotel situated on Tokyo land that would sell for about $200,000 per square meter—$14 billion worth in all. Yoneichi's share is worth around $2.2 billion. Industry analysts say the New Otani is the most profitable Japanese hotel. Occupancy is good but it gets most of its profits from parties, weddings and corporate receptions, which cost on average $220 per person.

The family owns 17 other New Otani hotels in Japan and has plans to start construction of another 3, though not in high-cost Tokyo. Abroad are New Otani hotels in Los Angeles, Honolulu, Singapore, and possibly this year, Beijing. In addition, the family's publicly listed TOC, which owns, manages and sells real estate, has started selling apartments in resort areas.

Yoneichi Otani is one of those managers who know that God is in the details. For instance, when he doubled the size of the flagship hotel 15 years ago, Otani managed to keep costs down by increasing the full-time staff to only 1,350, from 1,250. He did this by hiring part-time workers (particularly housewives who had free time) during the day and subcontracting out the cleaning of rooms and linen.

These were innovations in Japan, and they help to explain how this family has made and kept $3.2 billion.—**Nobuko Hashimoto**

KICHINOSUKE SASAKI

Envying Hef

In the past, Sasaki has told FORBES he had no interest in expanding into U.S. real estate. But he appears to be reconsidering. He has opened small offices in Los Angeles and Hawaii, staffed by Americans and serving as brokers for Japanese moving to the U.S. For Sasaki, it is a way to learn this strange, new market, with other people's capital at risk. Aggressive in Tokyo, he is cautious here: "Unless you can adapt to the American way completely, you can't do business well," he asserts in an interview. "One can lose a lot of money in this business."

Back home, he continues to buy. Tokyo rents are going up 20% a year for the commercial buildings—shops, restaurants and the like—that are most of his business, and Sasaki has a long waiting list.

Trained as a medical doctor, Sasaki has the typically Japanese conviction that, in the long term, land prices never go down. He modestly attributes his early success to luck. But then he adds, "You must have imagination, maybe even romantic dreams that you pursue with a concentration of will. Or to put it another way, concentrate all your attention and energy on one theme."

Sasaki, now 56, has a romantic dream of another sort. "I may get into trouble for saying this," he confides, "but I would like to have been like Hugh Hefner." The closest he got was a license for the Playboy Club in Hawaii, but then the whole Playboy Club chain closed down. And now the owner of multibillion-dollar Togensha says, "I don't even have time now to date anybody. . . ." He says that is something he misses. Having time, that is.—**Nobuko Hashimoto**

Robert Wallis/J.B. Pictures

Kichinosuke Sasaki

GENSHIRO KAWAMOTO

Reassured

The "Kawamotomobile"—the Rolls-Royce limo that Genshiro Kawamoto has driven around Honolulu as he snapped up some $170 million worth of Oahu houses—rolled into some trouble. Honolulu Mayor Frank Fasi had harsh words for Kawamoto as he proposed legislation to ban home ownership by nonresidents. "Maybe 179 houses is a lot," admits Kawamoto, who emblazons his Ginza buildings with his company's name in neon, "but I didn't expect such a fuss."

Robert Wallis/J.B. Pictures

Genshiro Kawamoto

So last summer he switched to California's Sacramento and Santa Rosa areas. This time, instead of knocking on doors and wooing owners with huge sums of cash, as in Hawaii, he says he is buying tracts and building single-family houses for rent. He reports five projects under way around Sacramento, and plans for 1,000 homes. He has also been studying New York for some time, and says he's planning his first trip, to look around.

In Hawaii, the Kawamotomobile may soon be back in action. There is a scarcity of rental homes on the islands, and Kawamoto, 57, would like to fill the gap.

Kawamoto says he met with Hawaii governor John Waihee in January and was reassured that his yen were welcome after all.—**Gale Eisenstodt**

ASIA AND AUSTRALIA

HONG KONG

LI KA-SHING
Long On China

Widely considered Hong Kong's richest and most powerful businessman, Li Ka-shing is betting heavily that Hong Kong will prosper after 1997. His Cheung Kong Holdings, the biggest conglomerate in Hong Kong, has over 30 million square feet of property portfolio. An associate company, Hongkong International Terminals, the world's largest private container terminal operator, already accounts for 45% of the harbor's total traffic. In association with Hong Kong companies and a Chinese company, it is building, for an estimated $1 billion, Terminal 7 to increase market share, and has been planning a bid on two more terminals later in 1989. Li is said to be planning a bid for a stake in an estimated $5 billion second airport.

Li also controls Hutchison Telecommunications. In a joint venture with a China-backed company, it plans to launch Asia's first domestic satellite. That's to feed the cable TV franchise in Hong Kong that another Li company, Hutchison Cable Vision, is bidding on. Cable, too, is a long-term, capital-intensive venture. If Li gets the bid (competitors include Y.K. Pao's Hong Kong Cable Communications), the company reportedly is planning to spend over $1 billion to wire Hong Kong.

Lincoln Potter/Stock House

Li Ka-shing

So large are Li's commitments, that some wonder if he has bitten off more than he can chew. But few doubt his ability to make friends in high places in Beijing. Li has reportedly been traveling "up and down" to Beijing to build a good base of contacts. While he long ago put large personal investments in safe places like British Columbia, the U.S. and Singapore, Li clearly intends a lot of his capital to grow in Hong Kong well into the next century.—**Katarzyna Wandycz**

SIR YUE-KONG PAO
Not Necessarily Bearish

A billionaire with major investments in Hong Kong, much of Pao's fortune is tied up in the world's largest privately owned shipping fleet, which he can sail away if the political environment grows hostile. But while he is cautious, he isn't necessarily bearish. As late as last December, Pao's World International Group spent some $183 million on an industrial development. Also, Wharf Holdings, the Group's property vehicle, is developing commercial property and industrial warehousing; the projects are to be completed by 1992.

After Tiananmen, what?

Does the recent violence in China suggest a bleak future for Hong Kong? Not necessarily. Hong Kong was booming before the army moved into Tiananmen Square. Beijing needs Hong Kong, and the more the colony booms, the more China will need it.

One of Deng Xiaoping's economic achievements has been Guangdong province, next door to Hong Kong. Guangdong's economy grew 30% in 1987-88 and has continued to grow this year. In Guangdong many can afford color TVs and video recorders. That success owes a lot to Hong Kong. Over 1 million Chinese workers in 12,000 Guangdong plants make toys, electronic goods and textiles for Hong Kong firms. Investment isn't limited to manufacturing. A six-lane highway from Hong Kong to Guangzhou is under construction.

Listen to Jack Lau, executive director of Tomei Industrial Holdings Ltd., a maker of consumer electronics employing about 10,000 workers in Guangdong. Lau: "Chinese partners provide us with land and buildings, so our investments are limited to production equipment, which we normally deduct from subcontracting charges, so, being in light industry, in two or three years we can get all our investment back. Chinese workers are skillful, and we pay them about four to five times less than we would have to pay workers in Hong Kong, and we don't bother with sick leave pay or severance pay, as the Chinese handle that."

Jacques Langevin/Sygma

Violence near Tiananmen Square

But after Tiananmen, Tomei Industrial plans to manufacture first in Malaysia and then in other Pacific Rim nations. Bankers who were to finance the superhighway are said to be equally wary.

The message is clear: Trample on Hong Kong, and you trample on Guangdong and a big piece of China's economic hopes. Beijing leaders understand that, and it's a good bet they factored it into their decisions during the recent uprising.

Stuart Franklin/Sygma

Sir Y.K. Pao

Even so, some analysts whisper that Sir Y.K. may not have that much confidence in Hong Kong. The group's most recent acquisitions, they point out, include $135 million for a U.S. hotel chain (Omni Hotels, bought in mid-1988). Described by some as autocratic, Pao has delegated son-in-law Peter Woo to manage the World/Wharf real estate group, and another son-in-law, Helmut Sohmen, to take care of the family's private holdings. But Pao, who is rumored to be fighting cancer, still likes to make most decisions himself; reportedly, outside managers usually don't survive longer than two years.

One line of thought holds that real estate investment is not Pao's top priority. "The family started in shipping and to them property development is something new," says Lam Sum Chee, of Merrill Lynch in Hong Kong. "They don't have the expertise or the team for it." But like most billionaires, Pao is nothing if not flexible. He is, remember, bidding against Li Kashing on the Hong Kong cable TV franchise.—**Katarzyna Wandycz**

SWIRE BROTHERS

There to stay

Swire Pacific is one of the oldest businesses in Hong Kong. Sir Adrian Swire and brother John, whose ancestors came to the colony early in the 19th century, own 27% of the company. With other holdings, the Swires are worth $1 billion. They're not leaving Hong Kong.

Swire Pacific owns over half of Cathay Pacific Airways, which has been granted a near monopoly on most of the air traffic rights. Cathay's net margin of about 20% is about four times that of American Airlines.

Swire's property development portfolio, upon completion in 1993, will be over 10 million square feet. Commercial property values in Hong Kong, which make up the bulk of their holdings, went up by 84% from April 1988 to April 1989. It is uncertain what impact the recent crisis in Beijing will have on values in Hong Kong, but it is believed that commercial property will be the least hit. Unlike developers who build and sell, Swire Pacific has funneled some $1 billion into property in the colony. Pacific Place Phase 1 and 2, for instance, to be completed and occupied by 1990, includes a 605-room Marriott hotel, about 1.5 million square feet of offices, and some 700,000 square feet of retail space. "Unlike other groups here," says a company spokesman, "the Swire Group has tremendous confidence in the future of Hong Kong."—**Katarzyna Wandycz**

Topham/Image Works

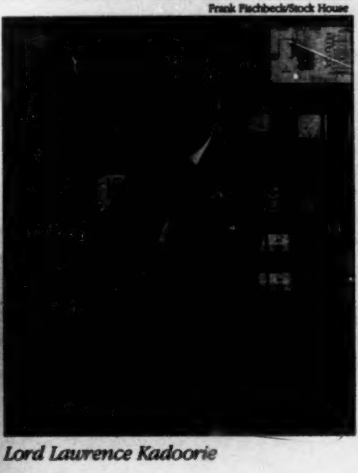
Sir Adrian Swire

KADOORIE FAMILY

Fanning Out

These old Hong Kong hands are the longtime owners of the territory's landmark Peninsula Hotel (now controlled through their 69% of the Hongkong and Shanghai Hotels, after beating off failed takeover attempts). Recently they've spent freely in the U.S. They paid $127 million last year for New York's Maxim's de Paris (the old Gotham Hotel) and renamed it the Peninsula. The Kadoories will also manage the Belvedere hotel in Beverly Hills, expected to open mid 1990, and have a stake in a hotel in Manila. Elsewhere, they recently lost out on a hotel bid in London, and are looking at other "gateway" cities, including Tokyo and Bangkok.

Frank Fischbeck/Stock House



Lord Lawrence Kadoorie

The Kadoories are not afraid of Beijing; they manage a hotel in Guangzhou, only a couple of hours away in mainland China, and will open one in Shanghai early next year. The overseas investment seems to relate to the fact that competitors are building in Hong Kong, and mostly in the tourist end of the market. A hotel glut is widely feared.

It is in this context that the Kadoories and other cash rich Hong Kong hoteliers are fanning out. For example, Cheng Yu-tung, a billionaire last year knocked off our current list by the June 5 stock market collapse, runs the New World Hotels, which in April paid $356 million for 66% of the U.S.' Ramada Inc.—**Katarzyna Wandycz**

ROBERT MILLER

Override On Pacific Growth

★ Robert W. Miller and his partner Charles F. Feeney own 40% each of Duty Free Shoppers Group Ltd., the largest duty free retailer in the world (FORBES, *Oct. 24, 1988*). With some 160 airport and downtown duty free stores mostly around the Pacific, the chain grosses about $2.5 billion, and has netted around 15% pretax (according to analyst Desmond Byrne). Both men are billionaires. (Feeney is a U.S. citizen and so appears in the Forbes Four Hundred; Miller gave up his U.S. citizenship, apparently to save on taxes.)

The secret of their success is the Japanese tourist boom. Japanese are obligated by social custom to bring gifts back for friends and relatives. For these presents, they spend lavishly (up to $1,400 per tourist), with half the money winding up in duty free shops. By 1988 Miller and Feeney were serving over half the 8 million

Hong Kong Tatler

Robert Miller

Japanese who traveled overseas. The closest competitor, Allders International, a former division of England's Hanson Plc., is a fifth DFS' size.

Miller and Feeney have turned things over to professional management. But they were involved last year, when concessions for the crucial Honolulu and San Francisco airports came up for bids. When the dust settled, they had won the Honolulu franchise for $1.15 billion, which could erode profit margins, but lost San Francisco to Allders International.

Will increasingly aggressive competition undermine them? Don't bet on it. They allegedly pay Japanese tour guides and operators to guide their flocks to the Duty Free Shoppers stores. And the partners have started to diversify their private business interests. Through his Search group of companies, Miller is said to have invested in, among other things, a Hong Kong bank and real estate, and a steel mill in China.—**Katarzyna Wandycz**

TAIWAN

KOO FAMILY
More Room For Action

★ The Koos, new to our list, were among the island's landed gentry when the Japanese ruled. The family was pushed into the industrial sector when Chiang Kai-shek's government took their land and gave them shares in Taiwan Cement in 1954 under the "land-to-the-tiller" reform.

The Koos became industrialists. Koo Chen-fu, current chairman, also became a founder of the Taiwan Stock Exchange. Koo Chen-fu, 73, and family diversified into a 60-company conglomerate, with interests in finance, cement, petrochemicals and shipping, including Taiwan's largest privately owned financial institution, China Trust (1988 reported net profit, $70 million). The Koos introduced the credit card in Taiwan and participated in creating the first investment bank.

The Koos are widely respected on Taiwan—Koo Chen-fu is a member of the central standing committee of Kuomintang and adviser to Taiwan's president, while his nephew, Jeffrey L.S. Koo, chairman of China Trust and of the family's New York-based China Trust Bank, is an adviser to Taiwan's premier. They are well positioned to make use of new banking law in the works *(see box, below)*. They are among over 20 groups that have applied for licenses to form commercial banks.

South China Morning Post

Jeffrey L.S. Koo

New laws and regulations are expected to take some business from Taiwan's underground investment shops. But it's probable the first steps by new banks will be modest, resulting in conservative new investment products. The more imaginative ploys—like short-selling or option trading—will probably continue underground.—**Katarzyna Wandycz**

TSAI WAN-LIN AND FAMILY
You Bet Your Life

Is a Chinese life insurance company worth $20 billion—about 250 times earnings? That's the value the obviously crazy Taipei market puts on the Tsais' Cathay Life Insurance (assets under management, $5.4 billion).

But forget mad speculators a moment. Cathay has a golden opportunity. Per capita income in Taiwan exceeded $6,000 in 1988 (compared with $16,500 in the U.S.). That means more people with enough discretionary income to start buying life insur-

Taiwan's banking reform

Despite the great waves of money washing into (and, more recently, out of) Taiwan, no license to open a new bank has been issued for about two decades. Part of the reason has been the ruling Kuomintang's long-standing desire to control credit and prices: The memory of the great inflation during the civil war against Mao's communists is still vivid in the minds of many old Kuomintang stalwarts.

A price has been paid. Taiwan's aboveground financial sector lags at least 20 years behind the country's economy. Taiwan's legal banks, for example, very rarely lend on balance sheets, usually demanding real estate collateral. This makes the banks useless to those entrepreneurs who are looking for venture capital. Taiwan's protected banks, some like to say, are run "like the post office," i.e., inefficiently.

Inefficiency, of course, creates opportunity, and a flourishing clandestine network of underground investing institutions has developed. These range from sophisticated money managers run by people with M.B.A.s from the U.S. to dicey stockbrokers to out-and-out frauds. But through them Taiwanese can buy blue chip American stocks, Hong Kong futures, almost anything they want. The investors can also borrow, at usurious rates.

This is about to change. A new banking law—to be passed later this year—will allow aboveground banks and trust companies to be created, and legalize some kinds of investments. Reform will help most of the established financial institutions. The recognition is spreading that Taiwan is destined to get a financial system commensurate with its impressive manufacturing economy.

Chan Barreau/Excellence Magazine

Tsai Wan-lin

ance. Traditionally, the Chinese would save a third of annual earnings and rely on their extended families in disaster. But with western ways and lifestyles catching on, Taiwan's life insurance business is growing about 25% a year, with no end in sight. All good news for Tsai Wan-lin, chairman of Lin Yuan Group, which includes 70% of Cathay Life. Cathay has about 50% of the market.

Good for others, too. The government currently allows two foreign life companies a year into Taiwan. Metropolitan Life and Aetna, among other insurers, are already there. John Engle, a senior analyst at Ting Kong Securities in Taipei, says of this competition: "There is more than enough to go around."

The Tsais' company's $20 billion may be only on paper, no more solid than the dicey Taipei stock market, but the family's prospects in the insurance business as such are rock solid.—**Katarzyna Wandycz**

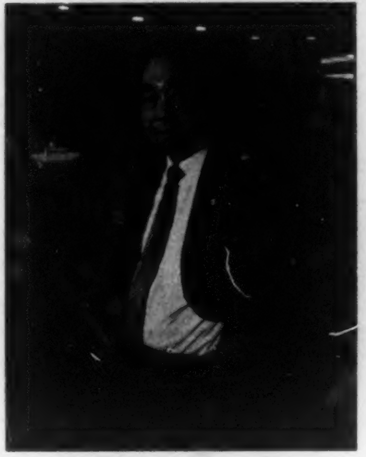
CHANG YUNG-FA
Fly The Evergreen Skies

Flying out of Taiwan these days is like flying home for Thanksgiving in the U.S. Usually, you have to get your ticket at least two to three weeks before the flight. Chang Yung-fa, chairman of Taiwan's Evergreen Group—owner and operator of the world's largest container shipping line—has noticed. In March he finally got permission to operate the first private international airline in Taiwan, alongside the state-controlled China Airlines monopoly. Evergreen plans to start flying in early 1992 and expand to the U.S. and Europe in the mid-1990s.

Evergreen, as usual, is thinking big. The initial investment, estimated at $100 million, may easily be tripled. Evergreen has already ordered four Boeing 747-400s, with options on four more, and is discussing joint ventures with potential foreign partners, including possible air freight operations. The company plans to set up a special training center for pilots and cabin crew in Taiwan. Evergreen is following up the planes with hotels—one planned in Hong Kong, others in Los Angeles and Malaysia.

Thus Taiwan follows the Japanese and, more recently, Korean trend of global diversification. "Whenever Evergreen does anything... they keep throwing money at it until they become the biggest," observes John Nelson, manager of research at Jardine Fleming in Taipei.

Ed Kashi



Chang Yung-fa

Chang will have quite a potential market just in Taiwan—almost 7 million passengers in 1988. Travel to mainland China, mainly via Hong Kong, first allowed just over a year ago, ran near half a million a year before June's turmoil in China.

But it is the shipping business that has made the Chang family billionaires. They innovated reliable, round-the-world service routes, linking major container shipping routes across the continents. Their 70% stake in Evergreen Marine Corp., and other holdings, are worth at least $2.2 billion.—**Katarzyna Wandycz**

HSU FAMILY
No Self-Pity

The problems now besetting Taiwan's textile industry sound familiar—foreign competition, high labor costs, aging equipment, narrowing margins. But the industry-leading Hsu family is not looking to bureaucrats in Taipei to protect them. They are, instead, looking only to themselves. It's what you'd expect from a family that moved its small knitting factory from Shanghai to Taiwan in 1949 and built a textile-based conglomerate, Far Eastern Group, with total 1988 sales of $2 billion. The Hsu family's interest is worth more than $1 billion. Says Douglas Hsu, president of Far Eastern Textile, summing up his labor problems without a trace of self-pity: "People are wealthier, and they demand more."

Excellence Magazine

Douglas Hsu

Operating profits at Far Eastern Textile fell some 50% in 1988 on sales of $765 million, but Hsu remains bullish. He's not in bad shape at home. Some 60% of his equipment is under ten years old, and the company is investing 20% of sales in modernization. And the Hsus are already well diversified—a securities house, retailing and cement production, a shipping company and much more. But he temporarily closed a plant due to union unrest and now has garment factories in the Philippines and Singapore, where labor is tamer and lower-cost. Hsu is going upscale to more sophisticated but harder-to-make products that promise higher margins—and turning to Taiwanese workers for the skills required.

Analysts also credit smart financial engineering under U.S.-educated Douglas—son of Y.Z. Hsu, founder of the group and chairman of Far Eastern Textile—and his team of young, also U.S.-educated managers. "If our competitors do not move in the same way," Hsu says, smiling, "they will be left behind."—**Katarzyna Wandycz**

Y.C. WANG
Go East, Young Company

The petrochemical conglomerate Wang founded in 1954, Formosa Plastics Group (1988 sales, $5.8 billion), has invested serious money in the U.S., not to sidestep protectionism here, but to escape problems at home. Petrochemicals in Taiwan will barely

Robin Moyer/Gamma-Liaison

Y.C. Wang

grow in the next two years.

The key issue is a chronic shortage of ethylene, a basic building block for plastics, in part because of a lack of storage capacity for the combustible gas, in part because of Taiwan's powerful environmentalist movement. Formosa Plastics, for instance, has run afoul of them despite a heavy investment in pollution control.

Also, some Taiwanese downstream processors—for example, shoe manufacturers—are moving some of their production to other Southeast Asian countries. "If downstream industries go away, it's going to influence the whole vertically integrated petrochemicals sector," worries Winston Wang, general manager at Nan Ya Plastics—a PVC processor in the vertically integrated group—and son of the 73-year-old chairman. "It's already affecting demand for petrochemical derivatives," he says.

And the U.S.? It has the technology and, Winston says, "good law and order." Formosa has 14 plants in the U.S. (1988 sales, $650 million) producing plastic resin pipes and other products. In Louisiana, Formosa has invested $170 million to add new plants to existing facilities. Preparations have begun for a $1.7 billion petrochemical complex in Texas. It could be running by 1991, pending EPA approval. This complex will export 70% of production to the world market, but, Wang adds, "A lot of products we now export to the U.S. can be manufactured in the U.S. This will contribute to the trade balance between Taiwan and the U.S."

In adversity there is often opportunity.—**Katarzyna Wandycz**

KOREA

CHUNG JU-YUNG AND FAMILY

Eclipsed By The Moon

Hyundai's honorary chairman and founder, at 73, thought he'd quicken the pace of détente between the Koreas by crossing the 38th parallel in January and making a deal. During his visit (helped by Japan's Hisakichi Yamaguchi, *which see*), the first by a South Korean businessman, he agreed to develop a mountain resort and a port facility. The South Korean government had reservations about the visit, but Chung reckoned his legendary business credentials—he built Hyundai into Korea's second-largest (combined sales) company in 42 years—could handle any government flak. But in April a second unauthorized visit to the North, by the dissident Reverend Moon Ik-Hwan (no relation to the Moonie, Sung Myung), enraged South Korea's government. Chung's plans are on hold. Meanwhile, he visited the Soviet Union, but so far few ship repair contracts have materialized. An agreement to develop natural resources in Siberia remains unfulfilled.

Hyundai was first a construction company but soon became a huge conglomerate, a chaebol, with dozens of businesses, most notably shipbuilding and autos. Now, in Quebec Hyundai produces its own Sonata cars and, soon, Eagle cars for Chrysler. The turbulent labor unrest at Hyundai that made headlines last year appears to have subsided for the time being. The company says a settlement has been reached with new labor union leader Sung Myung-chu.

Anthony Suau/Black Star

Chung Se-yung

Although Chung stepped down as active chairman in favor of younger brother Chung Se-yung, 60, he still plays a prominent role, as his détente initiatives show. Two brothers and seven sons, five of whom head Hyundai divisions, work for the company, and son Chung Mong Ku, 50, is reportedly being groomed for the top position.—**Philip Glouchevitch**

LEE FAMILY

Firing The Boss

Lee Kun-hee, 47, third son and successor to Samsung's late founder, Lee Byung-chull, doesn't have the luxury of anonymity. Strikers at the Samsung shipyard burned him in effigy last December (a settlement has since been reached). Samsung long avoided labor strife by paying its nonunionized workers better wages than other chaebol, but now Korean labor in general has become more militant.

H. Edward Kim

Lee Kun-hee

Lee has been trying to make Samsung Group (sales, $28 billion) more competitive as yesterday's cheap labor and currency become history. Samsung now mass-produces 1-megabit DRAM chips, and will add the 4-megabit variety this year. Lee will also have the benefit of receiving personal business advice on conditions in the U.S. from George Bush's younger brother William.

Samsung was founded in 1938 to export fruit and dried fish to Manchuria. Founder B.C. Lee learned a lot from Japanese industrialists, and Samsung is really a Korean version of the prewar Japanese *zaibatsu*. The Lee family's ownership of the Samsung

sung group makes them worth at least $1 billion.

The new chairman was chosen as the ablest sibling. His eldest brother was "reportedly on an overseas trip lately," says a company spokesman. Second brother Chang-hee, a major stockholder in one subsidiary, runs his own video- and audiotape producing company, Saehan Media. But the sibling who attracted the most attention was sister Sook-hee, for her marriage to a younger brother of Lucky Goldstar Chairman Koo Cha-kyung some years ago. A merger made in heaven.—**Philip Glouchevitch**

KOO FAMILY

Family Affair

★ The chairman of Korea's Lucky Goldstar Group, Koo Cha-kyung, 65, wanted to become a university professor, but as the eldest son his duty was to assume the chairmanship when his father, founder Koo In-hoe, died in 1969. The younger Koo was inexperienced, but a quick study: Today Lucky Goldstar has combined sales of $23 billion, primarily in chemicals, oil refining, and electronics. Worth over $1 billion, the Koo family rises to billionaire status this year.

The Lucky Chemical company was founded in 1947 to make a cosmetic cream, later adding toothpaste and soaps. Koo was backed by a Korean old-money family named Huh, which still has members in key positions in the company and owns some of the stock as well.

In 1958 the Koos founded the Goldstar electronics company (the elder Koo liked the Chinese character for "gold star") and produced the first Korean radios. Today Goldstar produces televisions, compact disc players,

Koo Cha-kyung

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semiconductors (in a joint venture with AT&T), and telecommunications equipment.

Of all the large Korean chaebol, Lucky Goldstar historically has been the least dependent on foreign sales, with only about one-third of its output being exports. But that ratio is changing.

One thing that doesn't change is keeping Lucky Goldstar a Koo family affair despite government pressure on the chaebol to go public. Several of Chairman Koo's uncles work for the group, as do four of Koo's brothers. (A fifth brother died and a sixth has his own company.) Of the chairman's own six children, two daughters are married, and two of four sons work for the company. The eldest, Koo Bon Moo, 44, is the group's vice chairman and likely successor. Koo himself avoids the limelight, retreating often to his farm near Chonan where he raises prize hogs.—**Philip Glouchevitch**

SHIN KYUK-HO, A.K.A. TAKEO SHIGEMITSU

Lotte Luck

Shin's Korean baseball team, the Lotte Giants, is in last place, and his Lotte World—a $1 billion amusement park, shopping center and hotel complex—is not quite completed. The hotels, department stores, restaurants and shops at the 36-acre site near the Olympic stadium in Seoul's suburbs are ready, but the theme park that is supposed to bring the total draw up to 200,000 visitors a day is behind schedule. It should open soon.

Zaikai

Shin Kyuk-ho

No problem. Shin controls an even larger fortune in Japan, with a confectionary company and real estate worth close to $8 billion.

Shin, 66, grew up in Korea but moved to Tokyo in 1943 and studied while working as a delivery boy. He founded Lotte (the name comes from Goethe's heroine Charlotte in *The Sorrows of Young Werther*) in 1948, thus overcoming his own youthful romantic streak: "I despised those who made money," he told FORBES. Shin began to make chewing gum after noticing American G.I.s handing it out and making it popular. He later moved into chocolate. Much of Shin's profits went into real estate.

Shin returned to Korea in 1967 to set up another confectionary company, and later opened his wildly successful Lotte department stores. And Lotte World? Shin already has plans to open a second in Pusan, Korea's second-largest city.—**Philip Glouchevitch**

SINGAPORE

LEE FAMILY

Back To The Fore?

"The old lady's lifting her skirts," a Singapore-based analyst told FORBES with a wink. Meaning: The venerable Oversea-Chinese Banking Corp., controlled by the family of Lee Seng Wee, wants to regain its onetime leadership of Singapore's Big Four banks. It is

REGIONAL FLIGHT

ATR 42-ATR 72

The cooperation between AEROSPATIALE and AERITALIA has resulted in new aircraft ATR 42 and ATR 72, first editions of the ATR family. These new generation turboprop jets benefit from recently developed state-of-the-art technology. This family of aircraft was designed so that their seating capacity can be extended from 46 to 70 seats in answer to airline passenger traffic fluctuations.

GEOGRAPHIC PRESENCE: Keeping ahead of airline needs on 5 continents.

THE TOTA

Dilip Mehta/Contact Press

Lee Seng Wee

now third, but the bank is rich. As OCBC's stock continues to recover from the 1987 crash, the value of the family's estimated 30% has climbed to $850 million.

But if the Lees are to regain their former preeminence, they must reveal and exploit the bank's hidden assets. For instance, one subsidiary is OCBC Property Services. Established in 1987, it manages lucrative Group properties in Singapore and Malaysia. Just three, including Singapore's I.M. Pei-designed OCBC Centre, have a market value exceeding $360 million; the 1987 annual report lists total fixed assets at a mere $143 million.

Why reveal this teaser now? OCBC Property is expected to be spun off and listed soon, and the news might boost shares of the bank, which will keep control.

The Lees also own rubber, palm and pineapple plantations. Lee Rubber is known as Malaysia's top rubber and latex exporter. Estimates on the extent of the family's land holdings vary, ranging upward from 20,000 acres.—**Katherine Weisman**

KWEK (AND QUEK) FAMILY
Boom Times

Singapore is booming. Real GDP, up 11% last year, should grow by a lower but still impressive 6% to 7% this year. Top office space is expensive even by Manhattan standards; occupancy rates are around 95%.

Kwek Hong Png, 77, is one of the four founding Kwek brothers who came from China's Fujian Province in 1928. He heads the family's Singapore branch and is capitalizing on the boom there very logically. The Kweks operate as Hong Leong Group. The company owns 52% of City Developments Ltd., which is forging ahead with Singapore's Republic Plaza; at an expected 63 stories, it will be one of the tallest office buildings in Singapore. (Like many Kwek projects, the building is a joint venture, financed by Japan's C. Itoh.)

Straights Times

Kwek Hong Png

Meanwhile, in Malaysia another brother, Quek Leng Chan (the "Q" was a misspelling that stuck), 45, launched an unfriendly takeover bid in April through his Hume Industries for Multi Purpose Holdings Berhad, one of Malaysia's largest conglomerates. Multi Purpose Holdings controls a big bank, the Malaysian French Bank; this bank was probably the object of Quek's desires. Late last month he dropped the bid. But the Kweks and

LOGIC

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FINANCIAL PRESENCE: financial advisor.

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Queks believe in the strength of the local Singapore and Malaysian economies and they will be heard from again.—**Katherine Weisman**

INDONESIA

LIEM SIOE LIONG

Suharto's Cukong

The world is changing for Liem, and not for the better. Liem is overseas Chinese and as such is widely resented by Indonesians.

That things have gone well for the Liem family owes much to the fact that Liem is President Suharto's *cukong,* or wealthy Chinese financier. Thus the Liem family runs one of Indonesia's biggest business empires, based on cloves (a major product in Indonesia), flour milling and handling, cement, steel and private banking. The Liems also control First Pacific Co. (1988 sales, $1.1 billion). It is listed in Hong Kong and incorporated in Bermuda. It does most of its marketing, distribution, financial and investment services and telecommunications business in the Far East, and is widely assumed to be a conduit for flight capital.

Liem Sioe Liong

Many Indonesians—though accustomed to gross political corruption—think the Liems get too many breaks from the government. A recent government bailout of a steel mill in which the Liems have a major stake, for instance, caused protests from other politicians and businessmen. And, unfortunately for Liem, Suharto, at 68, isn't getting any younger.

Liem, 73, seems to be working on the family's image by bringing more Chinese and Indonesians into new management and ownership positions. "It's a deliberate policy to safeguard his holdings, anticipating the times when Suharto will no longer be there to protect him," concludes John A. MacDougall, editor of *Indonesia Publications.* The Liems' wealth is estimated at over $2 billion; there is a lot to protect.—**Katarzyna Wandycz**

INDIA

BIRLA FAMILY

Divided, But Prospering

India has millions of smart and successful businessmen, but few who have had the talent, time and political connections to create vast industrial empires. This has not been the problem of the Birla family. The legendary Shiv Narain Birla started the business in the 1800s; early profits came from opium and silver. The company went into industry under G. D. Birla, a major player in India's attaining freedom from the British. Today the Birlas control almost 200 companies, from autos to yarn. Aggregate sales: over $3 billion. The Birlas own, through a web of cross-holdings, from 26% to over 40% of most companies.

After nearly three years of discreet negotiations among feuding family members, the empire was carved into six parts. Nearly half went to Basant Kumar Birla, 68, and his son Aditya, 46. The rest was divided between Basant Kumar's brother, Krishna Kumar Birla, two cousins and two nephews.

Financial Times

Aditya Birla

Aided by the buoyant economic climate, in the last year all six groups have announced diversification and modernization plans. Some observers guess capital investment will total some $3 billion in the next two years. The Birlas keep in shape by following G.D. Birla's regimen: Eat lightly, get to sleep early and exercise at least one hour every day.—**Gita Piramal**

AUSTRALIA

KERRY PACKER

A Minority Of One

For a country with a population (around 16 million) the size of Czechoslovakia's, Australia has a large number of very wealthy businessmen. But it has only one certifiable billionaire: Kerry Packer, chairman of Consolidated Press Holdings.

His father started the company, but Packer, 51, has made it into a colossus. He remains active in acquisitions. Last year he bought the magazine group of Australia's John Fairfax Ltd., giving him almost 70% of the Australian magazine market. He also bought Monsanto's Australian commodity petrochemical operations for $100-million-plus. By March Packer had bought and sold a 4% stake in London's Courtaulds, for a loss of about $4 million. Through joint ventures Packer is putting up major office buildings in Melbourne and Perth.

Enrico Ferorelli

Kerry Packer

In April Packer acquired 20% of Australian National Industries, a leading conglomerate, and then paid $270 million for 47% of the shares. "Most things we are involved in, we finish up with 100% of it," says a Packer source. But in this case, with Packer's people dominating ANI's board, he effectively controls the company.

What does Packer look for in a business? "We buy based on a company's track record and not on its future blue sky," our contact said. "What we're interested in is cash flow businesses." With a lot of cash and rising operating income, Australian National fits Packer's bill.—**Katherine Weisman**

The word "billionaire" gets thrown around more loosely than ever these days. Somebody has to maintain standards. Ours is demonstrating $1 billion. Net.

A few who failed to make the cut

Khalid Al-Ibrahim and Abdul-Aziz Al-Ibrahim are Saudi brothers who collected around $1.75 billion in commissions from large weapons sales to the kingdom. But knowledgeable sources and published accounts say they handed over something like 75% to their brother-in-law—King Fahd—and his children. The Al-Ibrahims' fortune, including successful investments, is estimated at $700 million.

Carlo De Benedetti, who is still looking for ways to expand his empire, has not yet crossed the $1 billion mark. What's visible is about $650 million.

Cheng Yu-tung's New World Development stock was knocked down by a third or more after Chinese troops moved the students out of Beijing's Tiananmen Square.

The **Chon brothers**, Koreans who made their fortune in Japan with their Sakura Group food-and-sundries superstores, suffered earnings reversals in the past year, suggesting their private company's value is short of $1 billion.

Serge Dassault's principal holding, just under 50% of Avions Marcel Dassault-Breguet Aviation, remains valued at substantially below $1 billion.

Michel David-Weill, head of Lazard Frères, has a fortune of at least $700 million. It could be a billion, or more, but the case is not yet demonstrated. Stay tuned.

Fok Ying-tung, a.k.a. Henry Fok (rhymes with duck), is the junior partner with Stanley Ho in the Macao casino cartel. Ho is not clearly a billionaire either.

As Argentina collapses into economic chaos, **Amalia de Fortabat,** its famous cement queen, socialite and art collector, seems ever further short of $1 billion.

Sir James Goldsmith, the Anglo-French financier, owns or has liquidated some $1.2 billion in assets. But how much debt did he have? Another case unsettled.

Alfred Heineken, heir to the brewery fortune, owns not 50% of the Heineken brewery but 50% of a publicly traded trust that owns 50% of the Heineken brewery. Lately the stake's worth was about $500 million.

Martin Hilti, the richest man in Liechtenstein after the prince, owns a majority of Hilti, Inc., a holding recently worth $750 million.

Stanley Ho, chief of the Macao casino cartel, owns, with his family, the controlling interest; case not closed.

Taro Iketani and his family have put a large part of their former 31.8% of Tokyo Steel in a charitable foundation, disqualifying them from this list.

Robert Kuok and family, of Malaysia, Singapore and Hong Kong, control an incredibly complex web of cross-owned companies throughout Southeast Asia. We've been able to sort out $800 million so far.

Kwok Tak-seng, a billionaire last year from his Sun Hung Kai Properties group and another major Hong Kong developer, was knocked out of the box this year by the stock market collapse in the colony following the June massacre in Beijing.

Hong Kong's **Lee Shau-kee** also rose to $1 billion during the past year on his stock in Henderson Land group, but got knocked down a third or more by the Tiananmen Square tragedy.

Kiyofumi Moroto's visible assets, mostly real estate, were worth $1 billion when the dollar was worth only 130 yen. But at around 140 yen he falls a bit short.

Isao Nakauchi's 14.6% of Daiei Corp., the big Japanese retailer, was just shy of $1 billion as we closed the books on him in early June. Look again next year.

Stavros Niarchos, the famous Greek shipowner, has vast but still unmeasured assets hidden away all over the world. And secretive **Costas Lemos,** said by some to be the richest Greek shipowner of all, also remains elusive.

Visible assets of **Harry Oppenheimer**, the South African mining magnate, remain below the $1 billion level, but his Anglo-American Corp.'s stock is slowly rising.

The net worth of Egyptian construction boss **Osman Ahmed Osman** has been estimated at as high as $1.5 billion. Such estimates apparently overlook the fact that the largest enterprise under his wing, giant Arab Contractors Co., was nationalized during the Nasser years and is legally owned by the Egyptian government.

The **Pesenti** family of Italy, with stakes in cement, forest products and steel through holding company Italmobiliare, seems not to qualify.

Saudi financier **Ghaith Pharaon's** Arabian assets, say Saudi financial sources, are mostly offset by liabilities. Assets outside Arabia may exceed $1 billion but are also believed to carry substantial debt.

Britain's **Gerald Ronson,** founder of construction conglomerate Heron International, is still estimated at $800 million.

Sir Run Run Shaw, Hong Kong's and Singapore's favorite movie mogul, drops off our list as a result of descending stock, an ascending dollar, and heavy charitable contributions.

India's **Tata** family, who virtually founded Indian industry long ago, placed the bulk of their assets in charitable trusts.

Germany's **Thyssen** family, long resident in Argentina, owns about 20% of steel giant Thyssen A.G., a holding once worth $1 billion but today worth much less.

Holland's **Van Beuningen** family is very wealthy but seems well short of $1 billion.

Ranking Foreign Billionaire Fortunes

Name/Country/*industry*	Page
OVER $10 BILLION	
Mori, Taikichiro/Japan/*property development*	186
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Itoyama, Eitaro/Japan/*land*	186
Rausing, Hans and Gad/Sweden/*liquids packaging*	160
Reichmann, Paul, Albert and Ralph/Canada/*real estate*	128
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Takei, Hirotomo/Japan/*publishing, real estate*	192
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Iwasaki, Yohachiro/Japan/*logging, property, resorts*	188
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Sasaki, Kichinosuke/Japan/*real estate*	197
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Weston, Garry and Galen/Canada/*supermarkets*	126
Yamaguchi, Hisakichi/Japan/*cans*	178
OVER $1 BILLION	
Aga Khan IV/*religion, investments*	170
Albrecht family/Germany/*supermarkets*	144
Al-Ghanim family/Kuwait/*auto retailing, investments*	164
Al-Kharafi, Mohamed Abdul Mohsin/Kuwait/*banking, construction*	164
Al-Marzook family/Kuwait/*real estate, investments*	168
Al-Sulaiman, Abdul-Aziz A./Saudi Arabia/*cement, hotels, autos*	154
Bauer, Heinz/Germany/*publishing*	144
Beisheim, Otto/Germany/*retailing*	144
Benetton family/Italy/*clothing*	136
Berlusconi, Silvio/Italy/*broadcasting, construction*	138
Bettencourt, Liliane/France/*cosmetics*	152
Bin Mahfouz family/Saudi Arabia/*banking*	164
Birla family/India/*textiles, aluminum, autos*	210
Bouriez family/France/*hypermarkets luxury goods*	150
Botín family/Spain/*banking*	160
Botnar, Octav/U.K./*auto dealerships*	130
Bronfman, Charles/Canada/*liquor*	128
Camargo, Sebastião/Brazil/*construction, manufacturing*	124
Chung Ju-yung family/Korea/*heavy industry*	206
Cisneros family/Venezuela/*consumer products*	123
Dreesmann family/Netherlands/*retailing*	152
Eaton family/Canada/*retailing*	128
Ermírio de Moraes, Antônio and family/Brazil/*mining, industry*	124
Fentener van Vlissingen family/Netherlands/*oil & gas, consumer goods*	152
Ferruzzi family/Italy/*chemicals, agro-industry*	138
Fujisawa, Akikazu/Japan/*electronics retailing*	190
Garza Sada family/Mexico/*beer, steel, packaging*	124
Grundig, Max/Germany/*electronics*	143
Haefner, Walter/Switzerland/*car sales, software*	156
Hariri, Rafik Bahauddin/Lebanon/*construction, investments*	168
Hayashibara, Ken/Japan/*pharmaceuticals, real estate*	185
Herz family/Germany/*coffee retailing*	146
Hsu family/Taiwan/*textiles, cement, department stores*	202
Ishibashi, Kanichiro/Japan/*auto tires*	173
Ito, Masatoshi/Japan/*retailing*	185
Jinnai, Ryoichi/Japan/*consumer finance*	180
Juffali family/Saudi Arabia/*construction, truck distribution*	163
Kadoorie family/Hong Kong/*utilities, hotels*	200
Kanoo family/Bahrain/*shipping, airline*	168
Kato, Masao/Japan/*syrup, real estate*	185
Kawamoto, Genshiro/Japan/*real estate*	197
Kawamura family/Japan/*ink, chemicals*	184
Kipp, Karl-Heinz/Germany/*variety stores*	143
Kobayashi, Heizo/Japan/*restaurants, supermarkets, hotels*	192
Koc, Vehbi/Turkey/*conglomerate*	170
Koo family/Korea/*conglomerate*	207
Koo family/Taiwan/*banking, diversified*	201
Kumagai family/Japan/*construction*	184
Kwek family/Singapore/*finance, property*	209
Lee family/Singapore/*banking, rubber trading*	208
Lee Byung-chull family/Korea/*trading, retailing, consumer*	206
Li Ka-shing/Hong Kong/*property development, industry*	198
Ligresti, Salvatore/Italy/*insurance, construction*	138
Lundberg, Fredrik and family/Sweden/*conglomerate, real estate*	162
March family/Spain/*banking, real estate*	158
Marinho, Roberto Sr./Brazil/*media*	124
Matsuoka, Seijiro/Japan/*real estate*	192
Matsushita family/Japan/*electronics*	176
Maxwell, Robert/U.K./*publishing*	130
Miller, Robert/Hong Kong/*retailing*	200
Moores, Sir John/U.K./*retailing*	132
Morita family/Japan/*consumer electronics*	172
Mulliez family/France/*hypermarkets*	150
Murata, Junichi/Japan/*fax, industrial machinery*	173
Murayama family/Japan/*publishing*	178
Nangaku, Masao/Japan/*property develop, electronics retailing*	190
Oetker, Rudolf August and family/Germany/*food, brewing*	146
Olayan, Suliman Saleh/Saudi Arabia/*construction, investments*	163
Otsuka, Masahito/Japan/*pharmaceuticals*	176
Otto family/Germany/*mail order*	146
Packer, Kerry/Australia/*media, investments*	210
Pao, Sir Yue-kong/Hong Kong/*shipping, property development*	198
Peugeot family/France/*autos*	151
Rodriguez Gacha, Gonzalo/Colombia/*cocaine*	122
Sabanci brothers/Turkey/*conglomerate*	170
Sacher, Paul and Sacher-Stehlin, Maja/Switzerland/*pharmaceuticals*	158
Safra brothers/Lebanon/*banking*	168
Sagawa, Kiyoshi/Japan/*delivery service*	181
Schickedanz family/Germany/*mail order*	146
Siemens family, von/Germany/*electrical machinery*	148
Swarovski family/Austria/*rhinestones*	158
Swire brothers/Hong Kong/*Far East trading, airline*	200
Takei, Yasuo/Japan/*consumer finance*	180
Thyssen-Bornemisza, Hans Heinrich/Switzerland/*art, manufacturing*	156
Tsai Wan-lin/Taiwan/*insurance, construction*	201
Tsutsumi, Seiji/Japan/*retailing*	172
Uehara, Shoji/Japan/*pharmaceuticals*	180
Vuitton family/France/*luxury goods*	151
Wang, Y.C./Taiwan/*plastics*	202
Werhahn family/Germany/*retailing, banking*	148
Yokoi, Hideki/Japan/*real estate*	196
Yoshida, Tadao/Japan/*zippers, building materials*	172

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The 500 Largest Foreign Companies **Page 282**

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The 100 Cheapest Foreign Stocks

As other countries rise up in the global economy, the relative weight of the U.S. shrinks. The same holds for the world's stock markets. According to Morgan Stanley Capital International Perspective, which tracks 2,400-plus stocks worth $7.2 trillion, the value of U.S. publicly traded companies is now around $2.8 trillion. But Europe's public companies are worth $1.86 trillion, Japan's are worth $3.6 trillion and the rest of the world's stocks, approximately $400 billion. What's the point? This: As the relative weights of foreign markets grow, more investors are braving the unknowns lurking overseas and are searching out interesting opportunities in other countries' markets. There is plenty of risk in this approach. Last year the New Zealand stock market index fell 17.4%, in dollar terms. But the rewards are also considerable. The quiet little Belgium market climbed nearly 50% in 1988. (The Capital International Perspective U.S. market index, in contrast, gained 11.6%.)

We again asked Morgan Stanley Capital International Perspective's Monique Khatchadourian and her crew in Geneva to screen their entire stock universe for cheap foreign stocks. What does cheap mean? We asked for stocks selling at no more than 70% of the price/earnings ratio of their national index. Eliminated were stocks priced higher than the average price/book ratio for their country, and issues with market values below $200 million—no thinly capitalized issues, thank you.

The earnings estimates come courtesy of the Institutional Brokers Estimate System a service of New York brokerage Lynch, Jones & Ryan. Given the differences in foreign accounting and reporting standards, perhaps the best use of the estimates is as an indication of the direction in which profits may be heading. For example, Australia's Bond Corp. (one of the world's cheapest big companies, ranked on its price/earnings ratio of 1.5), earned 58 cents a share in 1988, but those earnings are expected to drop to 43 cents a share this year.

Ironically, fully half of the stocks below are Japanese. But that's only because they're cheap by Japanese standards. Orient Leasing, for example, sells for 15.6 times earnings—a steal (perhaps) in a market whose average P/E is over 55. Other well-known international companies that are selling well below their local markets' multiples include several automakers—Honda, Nissan, Suzuki and Toyota from Japan; Saab-Scania and Volkswagen from Europe.

Company/industry	Country	Recent price	Earnings per share		P/E	Yield	Price/ book	Sales (mil)	Market value (mil)
			1988	1989E					
Bond Corp/multi-industry	Australia	$0.89	$0.58	$0.43	1.5	13.6%	0.6	$3,046	$375
Bell Resources/energy	Australia	0.76	0.28	0.14	2.7	14.9	0.4	2,621	421
Baltica Holding/insurance	Denmark	58.20	17.23	8.01	3.4	1.8	0.6	701	592
Sofina/multi-industry	Belgium	314.54	88.69	15.82	3.5	3.8	1.1	NA	586
Lloyds Bank/banking	United Kingdom	5.27	1.35	1.29	3.9	6.7	0.9	12,309	4,308
Handelsbank Kjobenhavns/banking	Denmark	37.28	9.55	3.19	3.9	5.2	0.7	NA	728
Alcan Aluminium/metals nonfer	Canada	22.19	5.77	3.28	3.8	5.1	1.2	8,529	5,051
Standard Chartered Group/banking	United Kingdom	8.12	2.05	1.51	4.0	8.8	1.0	5,644	1,902
Bond Corp Intl/real estate	Hong Kong	0.23	0.06	3.47	4.1	5.1	0.7	NA	303
National Westminster Bank/banking	United Kingdom	9.19	2.19	1.99	4.2	6.5	0.8	18,920	7,195
Privatbanken/banking	Denmark	34.14	8.09	4.01	4.2	3.8	0.7	2.93	517
Osterr Elek/utilities	Austria	12.28	2.91*	NA	4.2	4.0	0.8	1,206	402
Barclays Plc/banking	United Kingdom	7.00	1.57	1.39	4.5	6.9	0.9	19,474	7,837
Banque Natl Belgique/banking	Belgium	884.95	187.50	108.88	4.7	5.2	0.8	NA	350
Skandinaviska Enskilda Bank/banking	Sweden	13.96	2.98	1.43	4.7	2.7	1.0	4,985	3,586
Royal Bank of Scotland/banking	United Kingdom	5.97	1.19	1.15	5.0	5.5	0.9	3,766	1,795
Pagurian/financial svcs	Canada	7.36	1.47	0.75	5.0	6.8	1.0	NA	370
TSB Group/banking	United Kingdom	1.66	0.33	0.29	5.1	6.6	0.7	NA	2,618
De Beers/diamonds	South Africa	14.56	2.82	3.10	5.2	0.2	1.1	1,312	5,507
IFI/multi-industry	Italy	12.90	2.46	2.75	5.2	1.4	1.0	NA	1,581

Stock prices and earnings estimates were converted into U.S. dollars using exchange rates at May 31. Earnings and revenues for 1988 were converted using the average exchange rate for the previous 12 months at fiscal reporting date. *1987. NA: Not available. E: Estimate.

Sources: Morgan Stanley Capital International Perspective. Earnings estimates provided by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan

Company/industry	Country	Recent price	Earnings per share 1988	Earnings per share 1989E	P/E	Yield	Price/ book	Sales (mil)	Market value (mil)
Midland Group/banking	United Kingdom	$5.27	$0.96	$0.92	5.5	6.5%	0.8	$11,386	$4,117
Den Danske Bank Af 1871/banking	Denmark	44.18	8.02	4.24	5.5	4.7	0.8	NA	1,118
Canfor/forest products	Canada	19.91	3.42	3.78	5.8	2.9	1.0	881	452
United Paper/forest products	Finland	41.98	7.12	7.04	5.9	1.6	1.0	1,506	1,103
Bank of Scotland/banking	United Kingdom	1.45	0.25	0.25	5.9	5.5	1.0	NA	1,085
Jyske Bank/banking	Denmark	51.79	8.62	6.77	6.0	2.5	0.6	NA	285
Westpac Banking Group/banking	Australia	3.85	0.62	0.62	6.2	7.0	0.8	7,089	3,938
Air Canada/airlines	Canada	10.68	1.68	1.41	6.3	-	1.0	2,784	768
Elf Aquitaine Group/energy	France	76.30	11.98	9.96	6.4	5.9	1.0	21,152	8,244
Andelsbanken/banking	Denmark	43.07	6.68	4.06	6.4	4.5	0.8	NA	381
Michelin Group/industrial comp	France	29.68	4.48	4.33	6.6	1.1	1.3	8,699	2,466
Crédit Lyonnais Group/banking	France	88.10	13.21	14.94	6.7	4.8	0.9	20,005	574
Kingfisher (Woolworth)/retailing	United Kingdom	4.74	0.71	0.46	6.7	4.6	1.5	4,732	2,065
Bank of Montreal/banking	Canada	26.34	3.92	4.06	6.7	6.7	1.0	7,355	2,869
Union Bank/banking	Finland	7.90	1.16	0.98	6.8	4.4	1.0	NA	3,191
Hongkong Realty and Tr/real estate	Hong Kong	0.63	9.26	0.10	6.8	6.0	0.6	NA	265
Omnium Financial Paris/multi-industry	France	215.02	29.38	24.75	7.3	4.9	1.2	NA	426
Hang Lung Development/real estate	Hong Kong	0.62	8.45	0.11	7.4	6.8	0.9	NA	714
Unerg/utilities	Belgium	64.72	8.68*	5.68	7.5	8.0	1.3	1,173	884
Rieter Holding/machinery & eng	Switzerland	1,919.7	252.85	222.39	7.6	2.7	1.1	1,101	363
Credito Fondiario/banking	Italy	4.13	0.54	NA	7.6	3.1	0.9	NA	307
Volkswagen Group/automobiles	Germany	201.21	26.19	24.54	7.7	3.9	1.1	33,721	5,885
National Bank of Canada/banking	Canada	11.51	1.50	1.82	7.7	5.2	1.0	NA	1,350
Sovac-Credit Mobilier/financial svcs	France	126.92	16.12	16.54	7.9	4.6	1.2	NA	504
Saab-Scania Group/machinery & eng	Sweden	37.82	4.73	6.34	8.0	3.1	1.3	6,936	2,568
Mo Och Domsjo Akiebolag/forest prods	Sweden	57.78	7.05*	6.54	8.2	2.6	1.3	3,087	800
Hoesch Group/metals-steel	Germany	131.87	15.94	15.44	8.3	4.8	1.2	4,752	938
Dyno/chemicals	Norway	14.55	1.70	1.71	8.5	3.1	1.7	857	284
Union Electrica-Fenosa/utilities	Spain	0.68	7.85*	7.27	8.7	8.7	0.3	1,514	817
Neptune Orient Lines/shipping	Singapore	0.95	6.84	6.65	13.8	1.9	0.7	609	349
Orient Leasing/financial svcs	Japan	27.85	1.79	1.88	15.6	0.5	1.7	NA	1,606
Fuji Photo Film/leisure-goods	Japan	29.54	1.68	1.59	17.6	0.3	2.2	6,769	11,139
Honda Motor/automobiles	Japan	14.14	0.77	0.82	18.4	0.5	2.2	27,201	13,400
Toyo Seikan Kaisha/misc materials	Japan	19.62	0.97	0.92	20.3	0.3	2.3	4,547	3,298
Shimachu/retailing	Japan	19.69	0.97	0.62	20.3	0.5	2.1	403	637
Asahi Denka Kogyo/chemicals	Japan	6.97	0.34	0.18	20.5	0.5	1.9	759	420
Makita Electric Works/elec & electron	Japan	13.57	0.66	0.65	20.6	1.0	2.0	1,008	1,832
Yokogawa Bridge Works/construction	Japan	12.94	0.60	0.40	21.7	0.4	3.0	416	478
Matsushita Electric Industrial/appliances	Japan	17.51	0.78	0.80	22.4	0.5	2.0	42,880	35,956
Tonen Corp/energy	Japan	12.94	0.56	0.42	23.1	1.4	3.1	4,541	7,605

Stock prices and earnings estimates were converted into U.S. dollars using exchange rates at May 31. Earnings and revenues for 1988 were converted using the average exchange rate for the previous 12 months at fiscal reporting date. *1987. NA: Not available. E: Estimate.
Sources: Morgan Stanley Capital International Perspective. Earnings estimates provided by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan.

Company/industry	Country	Recent price	earnings per share		P/E	Yield	Price/ book	Sales (mil)	Market value (mil)
			1988	1989E					
Toyota Motor Corp/automobiles	Japan	$19.20	$0.84	$0.86	22.9	0.7%	2.3	$53,818	$54,553
Rinnai/appliances	Japan	15.75	0.62	0.61	25.6	0.6	2.4	703	742
Suzuki Motor/automobiles	Japan	6.48	0.25	0.21	25.7	0.7	2.3	6,505	2,440
TDK/electronic comp	Japan	36.99	1.44	1.40	25.7	0.8	2.3	3,251	4,456
Kyocera/electronic comp	Japan	36.92	1.43	1.39	25.8	0.8	2.4	2,643	5,705
Hitachi Ltd/elec & electron	Japan	11.95	0.46	0.47	26.0	0.5	2.5	49,897	36,076
Nichicon/electronic comp	Japan	12.17	0.46	0.52	26.3	0.7	2.4	431	783
Nippon Kangyo Kakumaru/financial svcs	Japan	13.36	0.51	0.45	26.4	0.5	3.3	NA	4,803
Denny's Japan/leisure	Japan	23.14	0.87	0.78	26.4	0.6	3.2	505	614
Murata Manufacturing/electronic comp	Japan	19.55	0.73	0.86	26.8	0.5	2.3	1,532	3,432
Kureha Chemical/chemicals	Japan	8.37	0.31	0.24	26.8	0.6	3.0	853	1,819
Canon/leisure-goods	Japan	12.73	0.47	0.47	26.9	0.7	2.7	8,623	7,816
Bridgestone/industrial comp	Japan	11.60	0.43	0.44	27.0	0.7	3.2	9,278	8,320
Royal Co/leisure	Japan	17.58	0.64	0.61	27.5	1.0	2.3	541	526
House Food/food, household	Japan	14.06	0.51	0.50	27.5	0.9	2.3	1,169	1,400
Nihon Unisys (Univac)/data processing	Japan	12.03	0.44	0.39	27.6	0.4	3.2	1,402	1,309
Izumiya/retailing	Japan	15.12	0.52	0.50	28.8	0.9	3.2	2,586	1,393
Sumitomo Corp/trading	Japan	9.63	0.33	0.31	29.2	0.5	3.0	115,570	8,496
Orient Finance/financial svcs	Japan	10.27	0.35	0.32	29.3	0.8	2.5	NA	3,166
Tokyo Style/textile, apparel	Japan	13.08	0.44	0.51	29.4	0.7	2.2	460	1,052
Higo Bank/banking	Japan	6.79	0.23	NA	29.5	0.5	2.6	NA	1,558
Nissan Motor/automobiles	Japan	10.97	0.36	0.31	30.4	0.9	2.5	37,516	27,177
Hitachi Maxell/leisure-goods	Japan	18.85	0.61	0.66	30.7	0.6	1.8	1,207	1,855
Ezaki Glico/food, household	Japan	8.79	0.29	0.31	30.7	0.8	2.1	1,554	1,039
Canon Sales/services	Japan	21.94	0.71	0.68	30.8	0.4	2.2	2,489	1,306
Taiyo Yuden/electronic comp	Japan	10.69	0.34	0.29	31.3	1.1	2.1	540	1,141
Nippon Shinpan/financial svcs	Japan	9.70	0.31	0.34	31.8	0.8	2.5	NA	2,909
Renown/textile, apparel	Japan	7.74	0.23	0.67	33.5	1.1	1.8	1,779	1,651
Japan Securities Finance/financial svcs	Japan	12.10	0.35	NA	34.3	0.3	3.5	NA	1,486
Skylark/leisure	Japan	18.99	0.55	2.08	34.6	0.4	3.5	1,085	1,376
Seventy-Seven Bank/banking	Japan	6.96	0.20	1.00	34.7	0.5	3.2	NA	2,624
Yamazaki Baking/food, household	Japan	11.18	0.32	0.34	34.8	0.6	2.9	3,197	2,463
Nippon Chemi-Con/electronic comp	Japan	8.65	0.25	0.27	35.0	1.3	2.1	560	1,012
Hoya/personal care	Japan	15.75	0.45	0.41	35.1	0.6	2.7	841	1,644
Bank of Fukuoka/banking	Japan	7.59	0.21	NA	36.8	0.5	3.1	NA	3,873
Fukuoka Sogo Bank/banking	Japan	9.92	0.26	NA	37.4	0.4	3.3	NA	2,010
Kinki Electrical Construct/construction	Japan	21.03	0.56	0.65	37.5	0.3	3.1	2,248	2,344
Nitto Denko (Electric)/misc materials	Japan	14.91	0.40	0.43	37.7	0.5	2.7	1,287	2,207
Nisshinbo Industries/textile, apparel	Japan	10.34	0.27	0.21	37.7	0.5	2.5	1,626	2,305
Chugoku Bank/banking	Japan	14.14	0.37	NA	38.0	0.3	2.5	NA	2,810

Stock prices and earnings estimates were converted into US dollars using exchange rates at May 31. Earnings and revenues for 1988 were converted using the average exchange rate for the previous 12 months at fiscal reporting date. *1987. NA: Not available. E: Estimate.
Sources: Morgan Stanley Capital International Perspective. Earnings estimates provided by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan.

The 500 Largest Foreign Companies

You won't find the Deutsche Bundespost (1987 sales, $29 billion) on this year's list of the world's 500 largest foreign companies. Neither will you find $16 billion (sales) Petróleos de Venezuela.

Why not? It's certainly not because they aren't big enough to make the list. Rather, it's because Germany's post office and Venezuela's oil company are state-owned organizations. More precisely, they are not publicly traded, private-sector companies. An investor can't buy stock in them. A globetrotting business person probably doesn't call on them.

In this year's ranking of the world's 500 largest companies, FORBES focuses on the world's biggest publicly owned companies. We do this with the help of Morgan Stanley & Co.'s Geneva-based Morgan Stanley Capital International Perspective and its highly trained staff. The idea is to make the Forbes Foreign 500 a more useful list, and more comparable to the Forbes 500—our ranking of the U.S.' largest public companies, which we surveyed in May.

What about the world's big privately owned companies—South Korea's Samsung and Daewoo, for example, or West Germany's Bertelsmann and Tengelmann, or Holland's Vendex International? They can be found in the list of 25 of the world's non-publicly-owned companies below. In that list, we also include a few important state-owned businesses, such as France's Renault Group, as a reminder that in many countries big business remains a potent manifestation of state power.

Careful readers will notice other changes in the way the Forbes Foreign 500 companies are presented this year. They are listed first by their country of origin. (Country groupings appear alphabetically, from Australia to the United Kingdom, for the major global markets. Countries with smaller markets start on page 300.)

Within their country group, companies are listed in descending order of sales. But be careful with the ranking

The 25 largest public companies outside the U.S.

Company/business	Country	Sales ($mil)	Employees (thou)
Mitsui & Co Ltd/trading	Japan	$130,667	11.4
Sumitomo Corp/trading	Japan	115,570	12.8
C Itoh & Co Ltd/trading	Japan	112,327	12.0
Mitsubishi Corp/trading	Japan	104,198	21.2
Marubeni Corp/trading	Japan	99,475	10.1
Nissho Iwai Corp/trading	Japan	81,371	7.2
Royal Dutch/Shell Group/oil & gas	Holland	78,380	134.0
Banco do Brasil/banking	Brazil	55,295	135.4
Toyota Motor Corp/automotive	Japan	53,818	86.1
Hitachi Ltd/multicompany	Japan	49,897	274.5
British Petroleum Co Plc/oil & gas	UK	46,137	125.9
Nippon Tele & Tele/communications	Japan	45,531	291.0
Matsushita Elec Ind Co/electronics	Japan	42,880	134.2
Daimler-Benz Group/automotive	Germany	41,848	338.7
Nissan Motor Co Ltd/automotive	Japan	37,516	117.3
Toyo Menka Kaisha Ltd/trading	Japan	36,604	5.0
Siemens Group/electrical equipment	Germany	34,148	353.0
Fiat Group/automotive	Italy	34,040	278.0
Volkswagen Group/automotive	Germany	33,721	252.1
Nichimen Corp/trading	Japan	32,250	2.9*
Unilever/food processing	Holland	31,367	295.0
Banco Bradesco SA/banking	Brazil	31,326	137.9
Tokyo Electric Power Co */utility	Japan	30,702	40.2
Toshiba Corp/multicompany	Japan	29,633	125.0
Philips Group/electrical equipment	Holland	28,382	310.3

*Not consolidated

And 25 very large non-publicly-owned ones

Company/business	Country	Sales ($mil)	Employees (thou)
Nippon Life Insurance Co/insurance	Japan	$48,062	14.4
Dai-ichi Mutual Life Insurance/insur	Japan	28,344	16.7
Zenkyoren/insurance	Japan	27,760	8.0
Samsung Group/multi-industry	Korea	27,510	175.7
Renault Group/automobiles	France	27,101	181.7
Sumitomo Life Insurance Co/insur	Japan	25,198	10.7
Crédit Agricole/banking	France	21,275	73.7
Tengelmann Group/retailing	Germany	20,208	145.0
Daewoo Group/multi-industry	Korea	17,329	93.9
Meiji Mutual Life Ins Co/insur	Japan	16,766	7.8
Robert Bosch Group/automobiles	Germany	14,112[1]	161.3
Groupe Usinor Sacilor/metals-steel	France	13,243	79.1
Asahi Mutual Life Insur/insurance	Japan	12,762	8.5
Norinchukin Bank/banking	Japan	11,830	3.2
Ruhrkohle/energy	Germany	11,758	125.4
Idemitsu Kosan Co Ltd/energy	Japan	11,219	5.5
Kuwait Petroleum Corp/energy	Kuwait	10,631	15.6*
Mitsui Mutual Life Ins Co/insur	Japan	10,482	32.0
Kyodo Oil/energy	Japan	9,537	1.7
Vendex Intl Group/retailing	Holland	8,776	55.5
Statoil Group/energy	Norway	8,642	11.2
Krupp Group/metals-steel	Germany	8,370	65.2
Sunkyong Group/multi-industry	Korea	7,757	20.6
Westdeutsche Landesbank/bank	Germany	6,653	9.7
Bertelsmann/media	Germany	6,539	42.0

[1] Figure is latest available.

number given at the left of each company. The number is its rank among the *entire* Forbes Foreign 500, not among the companies in a given country.

Look, for example, at Australia. With sales last year of $9.4 billion, retailer Coles Myer Ltd. ranks as Australia's largest public company. But within the Foreign 500 universe, it ranks 113.

The tables contain quite a bit of new information this year. For all countries represented, basic data—price/earnings ratio, market value and so on—summarize each country's stock market, courtesy again of Morgan Stanley Capital International Perspective. For those countries with larger financial markets, there is a brief description of the market.

For the companies themselves, we have included for the first time stock prices, yields, earnings per share and estimated earnings for the year at hand. These estimates are compiled by Lynch, Jones & Ryan's Institutional Brokers Estimate System (IBES), which collects information from 2,775 analysts who follow 5,778 companies in 26 countries. According to this broad consensus, Irish companies are expected to show the highest earnings growth rate this year, followed by Thailand, Singapore and Spain. Denmark drags the bottom, with corporate earnings shrinking somewhat.

Note that all figures are in dollars, at exchange rates in effect on May 31.

The single thing that stands out most graphically in this year's Foreign 500 is the weight in the global economy of Japanese companies. With a market capitalization of around $3.6 trillion at the end of May, the market value of Japanese stocks exceeds that of U.S. stocks—and this reflects the recent strength of the dollar against the yen.

Japanese companies account for 15 of the 25 largest publicly traded companies outside the U.S. *(see table, p. 282 left)*, including the top six spots. Number 7? That belongs to the Netherlands' $78.4 billion Royal Dutch/Shell, which was fifth only two years ago. The Japanese also take ten spots on FORBES' new list of the top 25 non-publicly-owned foreign companies, including the first three.

In sales, Nippon Telegraph & Telephone ranks only 12th in the world. But by market value—a staggering $165 billion, which is $112 billion *less* than on last year's list—NTT is far and away the world's largest company.

To sum up, there are 23 countries represented on this year's Forbes Foreign 500. The companies' combined revenues amount to $4.6 trillion; they employ 18.6 million people. By way of comparison with corporate America, the Forbes Sales 500 (FORBES, *May 1*) have combined revenues of $3 trillion, and 19.9 million workers.

An index beginning on page 306 shows where a particular company can be found.

Australia

P/E 9.3 • Yield 5.2% • Market value $122.2 billion • Year to date price change –8.1%

In the first five months of this year, the Morgan Stanley index for Australian stocks is up 4.5%. That's when the stocks are denominated in Australian dollars. But measured against a strengthening U.S. dollar, the same stocks are down 8.1%—a vivid reminder of the havoc foreign exchange fluctuations can play on globalized portfolios. In whatever currency, the Australian market has been hurt by declining prices for metal ores, and by the government's efforts to cool off inflation with high interest rates.

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS		Yield	Employees (thou)
							1988	1989E		
113	**Coles Myer Ltd**/retailing	$9,410	$242	$3,689	$3,205	6.39	$0.47	$0.57	3.8%	163.6
157	**Elders IXL Ltd**/trading	7,626	497	7,383	3,486	1.96	0.29	0.35	7.3	36.8
172	**Westpac Banking**/banking	7,089	520	66,179	3,938	3.85	0.62	0.62	7.0	46.5
174	**Broken Hill Prop**/energy	7,085	678	15,377	8,842	6.27	0.39	0.65	3.1	51.0
216	**ANZ Banking**/banking	6,089	379	57,755	3,210	3.82	0.46	0.63	8.7	42.4
243	**National Australia**/banking	5,597	398	49,847	3,908	4.92	0.54	0.72	9.2	34.6
310	**News Corporation Ltd**/media	4,388	338	10,998	2,889	10.75	1.27	1.15	0.7	28.3
323	**CRA Limited**/metals nonfer	4,167	352	6,611	3,835	6.74	0.62	0.66	4.2	25.0
431	**Bond Corp**/multi-industry	3,046	199	7,158	375	0.89	0.58	0.43	13.6	10.4
466	**CSR Group**/multi-industry	2,806	250	3,264[1]	2,269	3.51	0.36	0.39	6.9	16.1
482	**TNT**/trucking, RR	2,674	151	2,496	1,320	2.52	0.30	0.33	4.5	45.1
486	**Pacific Dunlop**/multi-industry	2,658	136	2,072	2,361	3.40	0.23	0.29	3.3	36.6
494	**Bell Resources**/energy	2,621	157	2,572	421	0.76	0.28	0.14	14.9	1.5

All figures except per-share items are in millions of U.S. dollars. General note: Revenue, net income and 1988 EPS are converted at an average rate of exchange for the fiscal year; assets are converted at fiscal year-end rate. Revenue figures are for group or consolidated operations and exclude excise taxes and duties. For companies with January, February or March fiscal year-ends, 1988 figures are used when more current data are not available. 1987 EPS are used when 1988 figures are not available. Market value is as of May 31, 1989. [1] Figures are latest available. NA: Not available or not applicable.

Sources: Morgan Stanley Capital International Perspective; Forbes. Earnings estimates provided by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan

The 500 largest foreign companies

Belgium

P/E 14.1 • Yield 4.2% • Market value $58.2 billion • Year to date price change –4.8%

Historically, the Brussels Stock Exchange was a sleepy local market. Then came tax reform. In 1982 the de Clercq laws reduced taxes on purchases and issues of stock; from 1983 to 1988, public offerings of Belgian companies increased smartly and total market capitalization jumped 266%. Last year Belgium rivaled France for the best market performance in Europe. Andre Verdickt, a vice president at Morgan Guaranty, thinks progress will continue as computerized trading and hedging instruments are introduced.

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
74	**Petrofina SA**/energy	$13,245	$536	$9,439	$6,982	322.41	$26.65	$25.47	4.0%	23.9
188	**Solvay Group**/chemicals	6,894	504	6,195	3,052	368.38	61.52	55.44	3.6	44.3
198	**Générale Bank Group**/banking	6,660	203	62,422	1,751	145.17	17.81	14.51	4.4	32.0
234	**Delhaize "Le Lion"**/retailing	5,739	61	1,625	1,369	133.56	5.93	5.79	1.2	49.0
314	**Bank Bruxelles Lambert**/banking	4,359	109	45,564	1,086	86.86	9.13	9.76	4.6	16.9
352	**GB-Inno-BM**/retailing	3,802	32	1,430	978	31.50	1.66	2.06	2.7	18.6
369	**Kredietbank NV**/banking	3,559	143	39,126	1,487	114.69	9.60	11.11	4.1	11.0
396	**INTERCOM**/utilities	3,314	248	7,205	2,666	88.78	8.19	8.02	7.6	8.6[2]

Canada

P/E 11.3 • Yield 3.3% • Market value $235.0 billion • Year to date price change 8.4%

Natural resources account for 9.5% of the Canadian gross national product, twice as much as in the U.S. This makes the Toronto Stock Exchange much more sensitive to oscillations in natural resource prices. But Wilf Gobert, director of research at Calgary's Peters & Co. Ltd., predicts that the growing number of Canadian service companies will make the Toronto market less volatile. According to the Morgan Stanley national indexes, Canadian stocks are currently selling at about the same multiple as U.S. issues.

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
80	**BCE Inc**/telecomm	$12,394	$721	$23,535	$9,305	32.04	$2.51	$3.18	6.4%	116.0
105	**Canadian Pacific**/multi-industry	9,763	630	14,798	5,950	18.77	2.03	1.87	3.4	76.4
127	**George Weston**/retailing	8,801	111	2,914	1,530	33.18	2.19	NA	1.6	61.4
133	**Alcan Aluminium**/metals nonfer	8,529	931	8,615	5,051	22.19	5.77	3.28	5.1	56.0
135	**Royal Bank of Canada**/banking	8,488	570	90,164	4,854	36.29	4.05	5.21	5.0	46.1
164	**Bank of Montreal**/banking	7,355	443	64,680	2,869	26.34	3.92	4.06	6.7	34.1
166	**Canadian Imperial Bank**/banking	7,337	473	77,615	4,201	24.47	2.68	3.39	4.2	36.2
173	**Campeau**/real estate	7,088	–28	12,082	593	13.38	–0.85	–0.16	3.0	120.0
176	**Noranda**/metals nonfer	7,055	492	9,462	3,378	18.46	2.57	2.86	4.5	48.0
217	**Provigo Inc**/retailing	6,034	50	1,355	687	8.09	0.59	0.69	2.5	22.0
238	**Bank of Nova Scotia**/banking	5,634	406	61,205	2,738	14.83	2.19	2.53	4.7	29.1
278	**Imasco Ltd**/bev & tobacco	4,876	255	4,452	3,213	26.96	2.04	2.41	3.4	95.1
292	**Toronto-Dominion Bank**/banking	4,696	535	48,607	5,136	34.11	3.44	3.90	3.2	22.9
330	**Great-West Lifeco**/insurance	4,036	78	14,442	954	12.34	1.00	1.20	3.4	3.5
338	**Seagram Co Ltd**/bev & tobacco	3,935	589	9,697	7,343	74.76	6.12	5.65	1.6	16.2
350	**Hudson's Bay Co**/retailing	3,820	40	2,949	773	24.89	0.60	1.09	2.0	38.0
360	**Intl Thomson Org**/multi-industry	3,745	173	3,615	4,206	14.37	0.59	1.61	1.9	23.2
367	**Steinberg Inc**/retailing	3,602	–10	1,259	689	32.56	–0.93	1.75	1.3	36.0
376	**Oshawa Group**/retailing	3,496	47	672	704	22.40	1.46	1.63	1.5	21.7
403	**INCO**/metals nonfer	3,263	691	4,079	3,120	35.50	6.50	5.98	2.7	18.7

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Sources: Morgan Stanley Capital International Perspective; Forbes. Earnings estimates provided by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan

The 500 largest foreign companies

Canada

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989 E	Yield	Employees (thou)
413	**Nova Corp of Alberta**/utilities	$3,202	$345	$6,910	$2,191	8.92	$1.43	$1.63	4.8%	12.9
445	**Crownx**/multi-industry	2,934	21	1,558	256	9.64	0.13	0.27	3.4	29.9
469	**Air Canada**/airlines	2,784	80	2,882	768	10.68	1.68	1.41	0.0	22.6
480	**Abitibi-Price**/forest products	2,685	153	2,206	1,156	16.69	2.11	1.47	5.0	16.2
485	**Canada Packers**/food, household	2,659	21	701	430	11.93	0.56	0.85	2.6	12.0
487	**TransCanada PipeLine**/utilities	2,656	118	4,211	1,847	12.24	0.59	0.80	4.6	1.9

France

P/E 12.1 ● **Yield 3.0%** ● **Market value $237.7 billion** ● **Year to date price change 0.1%**

France has more individual shareholders than almost any other country—although they tend to hold very small amounts of stock. There are seven French exchanges, but the Paris Bourse handles 95% of all activity. Among the French market's idiosyncracies: Prices are usually set by specific brokers on specific stocks between 12:30 p.m. and 2:30 p.m.; the price remains unchanged until the process is repeated on the next day. It's been a good year for French stocks: the Paris market recently surpassed its October 1987 highs.

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
33	**Peugeot Groupe SA**/automobiles	$23,166	$1,486	$16,151	$6,207	248.77	$59.59	$56.49	2.5%	158.1
35	**Générale d'Elec**/elec & electron	21,488	363	29,595	4,814	64.95	5.05	5.27	3.1	219.5
37	**Elf Aquitaine Group**/energy	21,152	1,209	28,037	8,244	76.30	11.98	9.96	5.9	73.0
39	**Crédit Lyonnais**/banking	20,005	346	178,878	574	88.10	13.21	14.94	4.8	58.2
51	**Banque Nationale Paris**/banking	18,333	514	196,955	649	53.61	7.78	8.60	4.8	58.1
68	**Générale des Eaux**/services	14,303	231	9,288	4,795	278.93	15.87	15.20	2.4	87.1[2]
70	**TOTAL-Française Pétroles**/energy	13,933	248	13,579	2,905	72.42	6.21	6.71	6.2	40.5
71	**Société Générale**/banking	13,675	510	155,483	4,264	72.12	9.13	8.53	4.0	45.5
79	**Paribas Group**/banking	12,582	445	121,637	4,300	73.09	8.28	7.59	3.1	26.1
90	**Rhône-Poulenc Group**/chemicals	10,968	613	11,172	4,218	87.20	9.87	10.94	5.1	79.7
91	**Carrefour Group**/retailing	10,883	153	4,208	2,833	444.83	24.01	25.08	2.6	40.0
103	**Saint-Gobain**/misc materials	9,883	679	11,398	5,240	91.24	14.90	11.06	3.2	85.3
116	**UAP-Union des Assur**/insurance	9,334	479	35,389	4,315	64.21	6.31	6.79	NA	30.0
129	**Michelin Group**/industrial comp	8,699	398	9,231	2,466	29.69	4.48	4.33	1.1	119.8
132	**Pechiney**/metals nonfer	8,612	336	6,131	2,611	51.67	7.64	7.42	5.2	49.0
134	**Suez Group**/banking	8,525	NA	64,389[1]	4,619	49.72	4.64E	5.15	2.8	20.7
136	**Bouygues Group**/construction	8,410	87	7,023	1,331	100.94	6.74	6.53	3.1	59.2
151	**Promodès Group**/retailing	7,754	36	2,171[1]	724	469.46	23.17	21.67	1.8	30.4
175	**BSN-Groupe**/food, household	7,080	368	6,410	5,485	105.27	7.06	7.15	2.1	42.0
191	**AGF-Assur Générales**/insurance	6,801	353	19,006	2,037	92.58	16.04	14.71	2.5	17.0
192	**Schneider SA**/machinery & eng	6,798	94	10,561	1,299	113.33	8.20	8.54	42.2	60.0
215	**CIC-Crédit Indl**/banking	6,095	169	63,021	783	33.82	7.30	NA	2.4	27.0
222	**Casino Groupe**/retailing	5,956	87	2,097	1,497	32.82	1.87	1.96	4.1	40.2
244	**Thomson CSF**/aero & defense	5,573	497	9,171	3,761	33.82	4.48	4.20	4.5	65.0
255	**Groupe Bull**/data processing	5,296	38	4,462	53	13.20	0.94	1.46	0.0	45.6
257	**Crédit Foncier**/banking	5,240	135	49,747	1,124	133.64	19.22	18.62	5.5	3.6[2]
260	**GAN-Assur Nationales**/insurance	5,204	319	13,946	86	102.13	36.06	NA	4.1	8.7[2]
289	**Crédit Commercial**/banking	4,721	94	38,515	1,319	30.39	2.17	2.17	2.2	12.3

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Sources: Morgan Stanley Capital International Perspective; FORBES. Earnings estimates provided by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan.

The 500 largest foreign companies

France

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
316	**L'Aire Liquide**/chemicals	$4,302	$266	$5,265	$4,202	93.92	$5.94	$6.02	3.1%	27.0
320	**Groupe Printemps**/retailing	4,227	64	1,547	695	102.58	9.40	7.11	2.7	18.0
326	**L'Oréal Group**/personal care	4,104	207	3,472	3,543	614.45	35.66	38.67	1.5	27.6
338	**CFAO-Franc de l'Afrique**/trading	3,948	63	2,599	913	329.00	26.76	20.91	3.1	24.7
343	**Docks de France**/retailing	3,875	31	1,342	630	577.87	28.15	28.86	2.1	21.2
346	**Euromarche SA**/retailing	3,844	27	1,230[1]	526	468.12	23.84	26.77	4.8	19.0
351	**Lafarge Coppee**/bldg materials	3,805	316	4,247	2,978	229.95	24.34	23.59	2.9	20.1
363	**Dumez**/construction	3,689	76	2,418	979	151.86	12.64	11.68	2.5	30.0
371	**OCP-Off Comm Pharm**/chemicals	3,529	12	751	163	74.67	4.46	NA	3.6	6.1
408	**MATRA**/aero & defense	3,245	57	3,807[1]	1,108	47.78	2.45	2.94	2.8	5.8
417	**Lyonnaise des Eaux**/services	3,156	93	4,597[1]	1,535	255.19	16.36	16.02	2.8	40.0
423	**SAE-Aux d'Entreprise**/construction	3,109[1]	40[1]	4,406[1]	619	163.21	11.02	9.49	4.1	23.5
441	**Générale Occidentale**/media	2,960	86	1,966	1,126	134.69	10.69	9.50	4.2	25.3
458	**Hachette SA**/media	2,863[1]	42[1]	2,040[1]	1,137	58.09	2.35	2.66	1.3	26.0
472	**Valeo**/industrial comp	2,766	137	2,259	1,388	113.33	11.21	12.09	1.6	29.4
473	**LVMH**/bev & tobacco	2,760	336	3,354	7,353	627.89	29.04	30.07	1.6	12.3
475	**Accor SA**/leisure	2,752	79	2,456[1]	1,657	100.05	4.92	5.06	2.4	62.0
476	**IMETAL**/metals nonfer	2,744	97	1,114[1]	622	56.74	9.05	5.35	2.8	5.8
489	**HAVAS**/services	2,652	125	1,624	1,859	147.38	9.91	7.19	1.7	8.5
497	**Chargeurs SA**/multi-industry	2,614	153	3,206	1,301	200.24	23.67	22.43	1.6	22.0

Germany

P/E 14.7 ● Yield 3.6% ● Market value $232.2 billion ● Year to date price change –6.0%

Industrially, West Germany is a powerhouse. But it has a long way to go to compete as a world financial center. Many foreign bankers—even those who'd like to see an end to Glass-Steagall in the U.S.—agree that reforms are needed in a system where commercial banks also act as underwriters and investment advisers for corporations, as retail stockbrokers, and in many cases sit on their clients' boards. Nor are there insider trading laws in Germany. Futures and options markets are scheduled for 1990, pending legislative approval.

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
14	**Daimler-Benz Group**/automobiles	$41,848	$954	$29,169	$14,505	342.45	$34.28	$29.49	2.8%	338.7
17	**Siemens Group**/elec & electron	34,148	757	31,711	13,530	276.39	22.89	21.60	3.1	353.0
19	**Volkswagen Group**/automobiles	33,721	420	28,248	5,885	201.22	26.19	24.54	3.9	252.1
29	**VEBA Group**/utilities	25,276	574	20,362	5,982	149.84	16.23	15.39	5.8	84.7
30	**BASF Group**/chemicals	24,979	803	18,385	9,053	158.69	19.93	18.60	6.0	133.7
32	**Hoechst Group**/chemicals	23,325	1,147	17,626	9,020	160.21	18.34	20.80	5.9	164.5
34	**Bayer Group**/chemicals	23,043	1,056	19,289	9,996	157.18	19.36	19.27	6.0	165.7
53	**Thyssen Group**/metals-steel	16,806	366	10,296	4,048	129.33	14.95	16.89	4.6	127.8
56	**Allianz Worldwide**/insurance	16,625E	215E	18,653[1]	13,386	892.43	23.34	25.59	1.1	41.1
61	**RWE Group**/utilities	15,506	424	21,685	6,416	148.06	10.81	10.44	4.3	72.1
69	**BMW-Bayerische Motor**/automobiles	13,950	214[2]	52,238[2]	4,112	274.11	21.07	25.79	3.6	66.0
72	**Deutsche Bank Group**/banking	13,459	685	170,758	10,184	269.30	19.00	26.73	3.5	54.8
86	**Mannesmann**/machinery & eng	11,628	135	8,349	3,217	124.27	10.25	10.89	4.1	121.8
121	**Dresdner Bank**/banking	9,025	284	129,733	4,603	157.94	9.62	14.09	5.0	38.0

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The 500 largest foreign companies

Germany

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
128	**Metallgesellschaft**/multi-industry	$8,762	$64	$4,408	$1,348	210.58	$12.92	$12.07	3.0%	25.1
130	**M A N Group**/machinery & eng	8,638	103	7,558	1,945	151.61	8.95	9.40	3.4	62.0
142	**Asko**/retailing	8,256	68	2,084	1,366	416.60	25.62	28.45	2.8	40.5
150	**Degussa AG**/misc materials	7,825	84	3,222	1,691	231.59	16.39	15.81	3.6	32.5
168	**Commerzbank**/banking	7,301	254	101,107	2,735	120.93	11.23	11.40	5.9	27.3
177	**Karstadt Group**/retailing	7,046	81	2,766	1,888	262.21	0.00	9.82	2.7	67.2
184	**Münchener Rück**[2]/insurance	6,959	35	15,408	5,044	1,047.8	36	5.73	NA	81.5
194	**Deutsche Lufthansa**/airlines	6,745	46	5,848	2,164	91.37	2.56	3.10	3.5	49.1
197	**Bayer Vereinsbank**/banking	6,686	145	91,221	2,434	187.80	11.18	19.66	5.5	14.8
199	**Co op AG**/retailing	6,577	NA	2,127[1]	726	80.99	NA	NA	0.0	48.7
202	**Preussag Group**/multi-industry	6,505	66	2,993	1,104	137.38	8.27	10.78	2.9	25.5
229	**Henkel Group**/food, household	5,837	184	4,180	2,990	252.34	17.37	16.45	2.7	35.0
233	**Kaufhof**/retailing	5,754	44	2,533	1,994	239.94	7.96	8.13	2.8	42.6
248	**Bayer Hypotheken**/banking	5,521	142	75,830	2,857	190.33	9.45	18.98	5.2	13.6
252	**VIAG Group**/multi-industry	5,393	125	5,797	1,917	165.28	15.19	15.34	3.6	32.9
286	**Hoesch Group**/metals-steel	4,752	38	3,672	938	131.87	15.94	15.44	4.8	33.8
303	**Feldmühle Nobel**/misc materials	4,504	90	3,230	1,228	175.40	11.67	11.75	4.5	42.9
304	**Continental Group**/industrial comp	4,502	111	3,064	1,240	143.26	16.63	15.86	4.4	45.4
397	**Philipp Holzmann**/construction	3,307	17	1,352	803	445.96	NA	NA	1.1	22.8
401	**VEW-Vereinigte Elekt**/utilities	3,277	85	5,855	1,721	86.05	6.04	6.10	5.5	7.9
432	**Nixdorf Computer**/data processing	3,044	15	2,716	1,998	163.76	-0.05	0.81	1.9	31.0
437	**Schering Group**/personal care	3,002	89	3,146	1,908	337.13	18.22	17.97	2.8	24.7
440	**Deutsche Babcock**/machinery & eng	2,962	23	1,396	597	86.81	4.60	4.57	4.6	22.4
496	**Hochtief**/construction	2,615[1]	28[1]	2,653[1]	1,717	429.26	9.46	12.02	1.8	28.3

Italy

P/E 12.8 ● Yield 2.8% ● Market value $123.7 billion ● Year to date price change -8.0%

Only a small percentage of Italian companies are public, but this is changing with the approach of 1992. The Milan exchange, Italy's largest, operates on a "match trading" system: A seller and buyer must match specifications in order for a transaction to be accomplished. This activity commonly occurs outside the official exchange and the trades are often not reported, or are reported inaccurately. Thus it is often difficult to get firm price quotes on Italian stocks. A more efficient centralized exchange may be in the works.

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
18	**Fiat Group**/automobiles	$34,040	$2,325	$40,406[1]	$13,432	6.64	$0.99	$0.96	3.4%	278.0
44	**Ferruzzi Group**/multi-industry	19,103	426	26,895	2,731	2.14	0.31	0.32	0.0	75.8
73	**STET**/telecomm	13,293	692	37,029	4,689	2.69	0.38	0.41	5.2	129.0
100	**Generali Group**/insurance	10,015	440	24,456	14,910	28.13	0.65	0.78	0.8	22.0
181	**Pirelli SpA**/automobiles	7,007	217	NA	1,830	2.28	0.20	0.24	3.4	77.9
200	**Olivetti Group**/data processing	6,507	274	9,017	3,232	6.40	0.50	0.51	3.7	57.5
410	**Alitalia**/airlines	3,227	37	3,032[1]	723	1.45	0.12	0.07	3.9	26.7
457	**SME**/food, household	2,869	90	1,923	1,157	2.65	0.23	0.20	2.6	3.4

All figures except per-share items are in millions of U.S. dollars. General note: Revenue, net income and 1988 EPS are converted at an average rate of exchange for the fiscal year; assets are converted at fiscal year-end rate. Revenue figures are for group or consolidated operations and exclude excise taxes and duties. For companies with January, February or March fiscal year-ends, 1988 figures are used when more current data are not available. 1987 EPS are used when 1988 figures are not available. Market value is as of May 31, 1989. [1]Figures are latest available. [2]Not fully consolidated. NA: Not available or not applicable.
Sources: Morgan Stanley Capital International Perspective; Forbes. Earnings estimates provided by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan

The 500 largest foreign companies

Japan

P/E 55.4 ● **Yield 0.5%** ● **Market value $3.6 trillion** ● **Year to date price change –7.2%**

Thanks to sky-high prices and the strong yen, the Tokyo stock market now has a capitalization of $3.6 trillion, making it the world's largest. In 1988 Japanese stocks gained 34.8% in dollar terms, but for the last five months the index fell 7.2% as the dollar rose. "National interest" either limits or completely prohibits foreign shareholding in certain industries such as broadcasting, telecommunications and airlines. But a more effective means of limiting foreign interest may be the Tokyo market's price/earnings ratio.

Rank	Company/business	Revenue	income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
1	**Mitsui & Co Ltd**/trading	$130,667	$314	$40,678[1]	$10,783	7.88	$0.23	$0.20	0.5%	11.4
2	**Sumitomo Corp**/trading	115,570	277	35,804	8,496	9.63	0.33	0.31	0.5	12.8
3	**C Itoh & Co Ltd**/trading	112,327	184	38,509	9,256	7.38	0.16	0.18	0.5	12.0
4	**Mitsubishi Corp**/trading	104,198	243	57,039	16,622	10.76	0.16	0.20	0.5	21.2
5	**Marubeni Corp**/trading	99,475	119	51,188	8,945	6.60	0.12	0.08	0.5	10.1
6	**Nissho Iwai Corp**/trading	81,371	66	24,703	4,513	6.78	0.10	0.15	0.5	7.2
9	**Toyota Motor Corp**/automobiles	53,818	2,319	41,156	54,553	19.20	0.84	0.86	0.7	86.1
10	**Hitachi Ltd**/elec & electron	49,897	1,450	52,538	36,076	11.96	0.46	0.47	0.5	274.5
12	**Nippon Tel & Tel**/telecomm	45,531	1,738	82,953	165,032	10,478.20	111.43	104.40	0.3	291.0
13	**Matsushita Elec Indl**/appliances	42,880	1,661	38,604[1]	35,956	17.51	0.78	0.80	0.5	134.2
15	**Nissan Motor Co**/automobiles	37,516	894	35,908	27,177	10.97	0.36	0.31	0.9	117.3
16	**Toyo Menka Kaisha**/trading	36,604	41	11,945	3,823	5.75	0.07	0.08	0.6	5.0
20	**Nichimen Corp**/trading	32,250	36	13,407	2,157	5.91	0.13	0.14	0.6	2.9[2]
23	**Tokyo Electric Power** [2]/utilities	30,702	936	78,907[1]	54,847	41.77	0.71	0.64	0.8	40.2
24	**Toshiba Corp**/elec & electron	29,633	931	31,850	31,135	10.13	0.29	0.28	0.6	125.0
26	**Kanematsu-Gosho**/trading	28,299	18	10,929	1,117	6.15	0.10	0.16	0.3	2.7[1]
28	**Honda Motor Co Ltd**/automobiles	27,201	756	17,300	13,400	14.14	0.77	0.82	0.5	58.3
31	**NEC Corp**/elec & electron	24,028	503	25,342	19,749	13.22	0.34	0.34	0.5	104.0
36	**Mitsubishi Electric**/elec & electron	21,206	415	17,775[1]	18,069	8.51	0.20	0.19	0.7	48.5[2]
47	**Sumitomo Bank Ltd**/banking	18,842	1,023	359,467	63,685	25.25	0.43	0.53	0.2	16.5[2]
48	**Fujitsu Ltd**/data processing	18,613	545	19,878	19,185	10.90	0.31	0.34	0.5	104.5
49	**Dai-Ichi Kangyo Bk**/banking	18,559	1,096	375,390	66,558	23.56	0.42	0.44	0.2	18.7[2]
52	**Nippon Steel Corp**/metals-steel	17,109	292	28,318	41,771	6.30	0.04	0.10	0.6	61.4[2]
54	**Indl Bank of Japan** [2]/banking	16,801	729	261,444[1]	72,098	30.66	0.31	0.30	0.2	3.5
55	**Sony Corp**/appliances	16,726	565	17,910	15,303	54.15	1.88	2.08	0.6	78.9
57	**Fuji Bank Ltd**/banking	16,241	904	327,759	67,556	25.25	0.34	0.46	0.2	15.5[2]
58	**Mitsubishi Bank Ltd**/banking	16,005	875	345,381	59,697	22.29	0.33	0.47	0.3	14.3[2]
60	**Kansai Electric** [2]/utilities	15,749	538	40,885[1]	31,109	32.77	0.56	0.61	1.1	24.4
62	**Mazda Motor Corp**/automobiles	15,467	78	9,558	7,277	7.10	0.08	0.14	0.7	28.4[2]
63	**Daiei Inc**/retailing	15,155	63	7,964	6,783	18.00	0.17	0.19	0.6	28.1
64	**Sanwa Bank Ltd**/banking	14,908	896	307,392	49,640	18.50	0.34	0.45	0.3	14.3[2]
66	**Mitsubishi Heavy**/machinery & eng	14,735	483	22,241[1]	26,844	8.09	0.15	0.13	0.5	56.2[2]
67	**Mitsubishi Motors**/automobiles	14,514	97	11,473	6,422	8.30	0.14	0.12	0.4	25.0[2]
77	**Chubu Electric** [2]/utilities	12,942	554	30,040[1]	22,122	30.59	0.77	0.66	1.1	20.7
78	**Nippon Oil Co Ltd**/energy	12,771	168	12,759	13,007	10.83	0.15	0.12	0.4	10.2
84	**Ito-Yokado Co Ltd**/retailing	11,913	403	6,361	10,417	25.74	0.99	0.93	0.6	29.8
85	**Mitsui Bank Ltd**/banking	11,668	572	209,168	29,906	16.03	0.34	0.35	0.4	10.2[2]
88	**Tokai Bank Ltd**/banking	11,410	480	213,525	30,755	15.96	0.26	0.29	0.3	12.3[2]
92	**Long-Term Credit Bk**/banking	10,743	374	182,838	31,073	144.16	1.85	2.16	0.4	3.3[2]
93	**Kawasho Corp** [2]/trading	10,680E	NA	5,001	688	6.53	NA	6.12	0.5	1.5

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The 500 largest foreign companies

Japan

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS		Yield	Employees (thou)
							1988	1989E		
94	**Toyota Tsusho Corp**[2]/trading	$10,618	$43	$3,745	$1,968	8.72	$0.21	$0.23	0.7%	1.6
95	**Sumitomo Trust & Bk** [2]/financial svcs	10,525	455	102,289	22,016	17.93	0.39	0.46	0.3	6.6
98	**Bank of Tokyo**/banking	10,153	342	183,507	22,619	11.81	0.19	0.24	0.4	13.2[2]
102	**Cosmo Oil Co Ltd**/energy	9,903	56	8,675	3,826	7.03	0.10	0.09	0.5	2.9[2]
104	**Showa Shell Sekiyu**/energy	9,839	86	6,572[1]	2,823	10.34	0.31	0.24	0.4	2.5[2]
107	**Kajima Corp**/construction	9,675	390	12,079	13,631	15.19	0.18	0.19	0.4	16.0
108	**Sanyo Electric Co**/appliances	9,622	48	13,708	12,579	6.80	0.03	0.06	0.8	39.2
111	**Nippon Express Co**/trucking, RR	9,434	107	5,581[1]	11,186	10.55	0.10	0.10	0.3	43.5[2]
112	**Jusco Co Ltd**/retailing	9,414	82	5,620	4,053	14.14	0.28	0.35	0.9	19.6
114	**Taiyo Kobe Bank** [2]/banking	9,395	417	166,619[1]	16,744	9.56	0.00	0.24	0.4	13.4
115	**Isuzu Motors Ltd** [2]/machinery & eng	9,354	51	6,987	6,593	7.17	0.06	0.06	0.5	13.8[2]
117	**Bridgestone Corp**/industrial comp	9,278	312	10,601	8,320	11.60	0.43	0.44	0.7	88.1
119	**Nippondenso Co**/industrial comp	9,130	304	8,161	11,563	16.32	0.43	0.46	0.6	47.6
122	**Taisei Corp**/construction	8,927	103	13,278	12,041	11.96	0.11	0.13	0.4	12.1
126	**Sharp Corp**/appliances	8,855	147	[illegible]	9,550	10.06	0.16	0.23	0.8	29.3
131	**Canon Inc**/leisure goods	8,623	289	9,843	7,816	12.73	0.47	0.47	0.7	40.7
139	**Mitsubishi Trust** [2]/financial svcs	8,306	472	106,029	24,841	19.13	0.39	0.45	0.3	6.1
140	**Seiyu Ltd**/retailing	8,281	46	6,132[1]	2,601	15.47	0.27	0.30	0.7	26.0
141	**NKK Corp**/metals-steel	8,276	121	18,341	20,293	6.36	0.04	0.12	0.6	23.9
143	**Shimizu Construction**/construction	8,233	78	9,386	11,454	14.91	0.11	0.17	0.4	10.2[2]
145	**Nichii Co Ltd**/retailing	8,124	105	6,435	4,676	17.86	0.39	0.41	0.8	33.1
147	**Mitsui Trust & Bank**/financial svcs	8,075	367	173,130[2]	16,201	14.28	0.33	0.40	0.4	6.3[2]
153	**Asahi Glass Co**/misc materials	7,702	360	7,549	19,185	16.53	0.27	0.32	0.3	9.3[2]
155	**Sumitomo Metal Ind**/metals-steel	7,676	22	15,144	17,986	6.33	0.01	0.12	0.6	22.3[2]
156	**Kobe Steel Ltd**/metals-steel	7,633	35	16,434	15,904	6.08	0.01	0.08	0.6	22.3[2]
160	**Tohoku Electric** [2]/utilities	7,503	369	17,982	13,143	27.08	0.76	0.61	1.3	13.5
161	**Kyushu Electric** [2]/utilities	7,445	321	22,329	12,189	26.72	0.71	0.55	1.3	15.1
163	**Taiyo Fishery Co**/food, household	7,409	1	3,523	1,835	6.12	0.00	0.08	0.0	13.5
165	**Nomura Securities**/financial svcs	7,339	1,636	31,260	44,759	23.35	0.86	0.86	0.4	15.0
167	**Kawasaki Steel Corp**/metals-steel	7,329	63	14,236	21,453	7.31	0.02	0.13	0.5	20.8[2]
169	**Nippon Credit Bank**/banking	7,286	223	113,983	17,840	104.78	1.35	NA	0.3	2.3
170	**Mitsubishi Kasei**/chemicals	7,156	173	9,817	10,906	8.23	0.13	0.10	0.5	8.8[2]
178	**Kumagai Gumi Co**/construction	7,035	79	12,129	7,914	12.10	0.13	0.17	0.5	8.2[2]
179	**Japan Air Lines**/airlines	7,026	140	8,455	18,157	116.03	0.94	1.22	0.2	21.0[2]
182	**Sumitomo Chemical**/chemicals	7,000	306	7,807	10,944	6.75	0.19	0.15	0.5	12.3
189	**Asahi Chemical Inds**/chemicals	6,881	176	7,243	11,708	8.79	0.14	0.16	0.6	22.1
193	**Fuji Photo Film**/leisure goods	6,769	633	9,316	11,139	29.54	1.68	1.59	0.3	18.2
196	**Yasuda Trust & Bank**/financial svcs	6,716	306	73,658	13,554	13.15	0.36	0.41	0.4	5.4
201	**Suzuki Motor Co Ltd**/automobiles	6,505	77	4,615	2,440	6.48	0.25	0.21	0.7	12.9[2]
204	**Snow Brand Milk**/food, household	6,433	39	1,797	2,493	8.93	0.15	0.16	0.6	8.3[2]
205	**Takashimaya Co**/retailing	6,340E	115E	3,759[1]	4,715	21.87	0.55	0.70	0.2	12.6
208	**Chugoku Electric** [2]/utilities	6,245	242	16,802[1]	9,392	26.51	0.68	0.57	1.3	11.6
209	**Saitama Bank Ltd** [2]/banking	6,200	227	92,202[1]	10,848	11.32	0.00	0.24	0.4	8.2
211	**Komatsu Ltd**/machinery & eng	6,183	162	8,243[1]	9,210	9.56	0.17	0.17	0.6	22.9
212	**Ishikawajima-Harima**/machinery & eng	6,173	4	8,846	10,775	8.30	0.00	0.06	0.3	15.9[2]
213	**Matsushita Elec Work**/elec & electron	6,137	187	5,775	8,616	14.77	0.32	0.33	0.5	18.2

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The 500 largest foreign companies

Japan

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS		Yield	Employees (thou)
							1988	1989E		
214	**Mitsukoshi**/retailing	$6,125	$25	$2,602[1]	$8,124	17.16	$0.05	$0.10	0.2%	11.4[2]
219	**Ohbayashi Corp**/construction	5,999	66	9,192	9,213	12.87	0.09	0.13	0.3	11.0[2]
220	**Nissan Fire & Marine** [2]/insurance	5,973	25	4,530	4,308	21.10	0.12	0.14	0.2	4.1
221	**Sekisui House Ltd**/construction	5,971	201	7,120[1]	7,589	14.56	0.42	0.41	1.0	9.4[2]
225	**Daimaru**/retailing	5,929	22	2,323[1]	2,066	8.23	0.09	0.11	0.4	7.2[2]
226	**Kyowa Bank Ltd** [2]/banking	5,860	244	103,110	11,583	9.78	0.21	NA	0.5	8.3
227	**Itoman & Co Ltd**/trading	5,847E	NA	6,738	1,309	9.56	NA	0.24	0.5	1.4[2]
230	**Nippon Mining Co**/energy	5,833	54	5,495	5,631	6.51	0.07	0.05	0.6	5.5[2]
235	**Daihatsu Motor**/automobiles	5,690E	NA	3,388[1]	2,477	5.88	NA	0.11	0.7	11.2[2]
239	**Kubota Ltd**/machinery & eng	5,621	143	5,850	12,571	8.93	0.10	0.11	0.4	16.0[2]
240	**Tokio Marine & Fire**/insurance	5,617	260	23,724	21,054	14.35	0.18	0.21	0.3	10.7[2]
241	**Mitsubishi Metal**/metals nonfer	5,609	47	5,785	4,978	7.81	0.08	0.13	0.5	7.1[2]
245	**Kirin Brewery Co**/bevs & tobacco	5,570E	NA	7,827	12,411	13,713	NA	0.24	0.4	7.7[2]
246	**Sumitomo Electric**/industrial comp	5,559	136	5,910	7,587	11.04	0.20	0.24	0.4	13.4[2]
249	**Dai Nippon Printing**/services	5,478	195	6,064	11,918	16.81	0.30	0.36	0.4	13.9
250	**Mitsui Real Estate**/real estate	5,465	195	17,424	13,285	17.51	0.27	0.33	0.4	6.7
253	**Daiwa Securities**/financial svcs	5,371	910	35,050	19,248	15.12	0.72	0.68	0.6	9.6
254	**Toray Industries**/chemicals	5,363	209	7,034	9,924	7.24	0.16	0.14	0.6	25.4
261	**Tokyo Gas Co Ltd**/utilities	5,132	267	6,429	21,278	7.81	0.10	0.08	0.5	12.9[2]
262	**Daiwa Bank Ltd** [2]/banking	5,130	254	149,171	16,369	12.03	0.19	0.23	0.4	8.9
263	**Toppan Printing Co**/services	5,123	138	5,256	8,726	13.92	0.23	0.34	0.5	18.0
267	**Hokkaido Takushoku** [2]/banking	5,074	146	75,887	6,633	7.67	0.15	NA	0.6	6.5
270	**Fuji Heavy Inds**/automobiles	5,053	54	4,999	4,095	7.45	0.13	0.11	0.8	15.0[2]
272	**Toshoku Ltd** [2]/trading	5,027	0	2,293	663	6.96	0.08	NA	0.5	0.5
273	**Mitsubishi Oil Co**/energy	5,002	57	4,181	2,789	8.30	0.19	0.09	0.4	2.4[2]
275	**Showa Denko**/chemicals	4,963	144	4,686	8,312	8.51	0.15	0.11	0.4	5.0[2]
279	**Ricoh Co Ltd**/data processing	4,872	123	5,108	5,524	9.21	0.21	0.26	0.8	28.0
280	**Kawasaki Heavy Inds**/machinery & eng	4,865	67	7,526	11,045	8.30	0.05	0.05	0.0	19.2
282	**Yasuda Fire & Marine** [2]/insurance	4,834	104	17,993	7,956	9.14	0.12	0.14	0.5	10.3
285	**Chori Co Ltd**/trading	4,757	0	2,728	437	6.20	0.00	NA	0.0	1.5[2]
291	**Uny Co Ltd**/retailing	4,697	70	2,922	2,376	13.99	0.41	0.45	0.9	9.7
293	**Kinki Nippon Railway**/trucking, RR	4,691	125	7,966	14,238	9.70	0.09	0.07	0.4	11.5[2]
296	**Nippon Yusen Kaisha**/shipping	4,633	7	6,875	8,584	7.53	0.01	0.04	0.4	3.3[2]
298	**Takeda Chemical Inds**/personal care	4,575	275	6,686	14,857	17.09	0.32	0.36	0.4	13.9
299	**Furukawa Electric Co**/industrial comp	4,561	105	5,033	5,832	9.42	0.18	0.16	0.5	7.0[2]
301	**Toyo Seikan Kaisha**/misc materials	4,547	163	3,766	3,761	19.62	0.97	0.92	0.3	6.3[2]
302	**Tonen Corp**/energy	4,541	274	5,017	7,605	12.94	0.56	0.42	1.4	2.3[2]
305	**Dainippon Ink & Chem**/chemicals	4,489	48	5,384	4,846	6.51	0.07	0.09	0.6	6.7[2]
306	**Kao Corp**/food, household	4,460	136	4,037	6,007	11.96	0.27	0.25	0.5	6.6[2]
311	**Hanwa Co Ltd** [2]/retailing	4,373	80	9,475	5,717	17.09	0.28	0.37	0.5	1.2
321	**Fujita Corp**/construction	4,210E	0	7,943[1]	5,985	13.57	0.00	0.16	0.3	5.5
324	**Osaka Gas Co**/utilities	4,156	228	6,195	15,152	6.32	0.09	0.07	0.6	9.8[2]
327	**All Nippon Airways**/airlines	4,098	43	6,480	17,771	12.94	0.03	0.05	0.2	12.0[2]
329	**Yamaha Motor Co**/leisure goods	4,077E	50	3,477[1]	2,332	10.34	0.22	0.26	0.4	9.8
331	**Toyo Trust & Banking** [2]/financial svcs	4,033	273	50,008	9,491	13.57	0.40	0.45	0.4	5.1
332	**Fuji Electric Co**/elec & electron	4,026	48	5,128	5,855	8.368	0.07	0.11	0.5	12.4[2]

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The 500 largest foreign companies

Japan

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
334	**Oji Paper Co**/forest products	$4,004	$128	$3,602	$8,028	13.43	$0.22	$0.33	0.4%	5.5[2]
335	**Bank of Yokohama** [2]/banking	3,989	131	80,576	10,512	10.48	0.16	NA	0.3	6.7
337	**Matsuzakaya**/retailing	3,976	41	1,392[1]	7,591	48.88	0.26	0.24	0.1	7.2[2]
340	**Teijin Ltd**/chemicals	3,889	145	5,431	5,929	6.32	0.16	0.18	0.7	6.0[2]
341	**Kanebo Ltd**/textile, apparel	3,886	–17	4,761	2,910	6.01	–0.03	0.06	0.6	26.5
345	**Ube Industries**/misc materials	3,845	141	6,433	[illegible]	6.26	0.17	0.07	0.0	7.2[2]
348	**Sekisui Chemical**/bldg materials	3,838	103	3,662	[illegible]	10.62	0.22	0.35	0.5	5.2[2]
347	**Nippon Suisan Kaisha**/food, household	3,838	30	2,309	1,62[illegible]	6.18	0.11	0.05	0.6	3.6[2]
353	**Nippon Meat Packers**/food, household	3,802	72	2,348	2,862	14.42	0.37	0.42	0.5	13.2
355	**Aisin Seiki Co**/industrial comp	3,788	74	2,734	2,955	11.39	0.30	0.32	0.7	9.5[2]
374	**Ajinomoto Co**/food, household	3,506	120	4,884	12,412	19.41	0.19	0.22	0.4	13.1
375	**Sumitomo Metal Mining**/metals nonfer	3,506	27	2,887	4,373	9.92	0.06	0.15	0.4	3.0[2]
378	**Hazama-Gumi**/construction	3,479	30	3,661	3,419	11.74	0.11	0.11	0.4	4.7
380	**Sumitomo Rubber**/industrial comp	3,457	40	3,268	1,228	9.00	0.30	0.32	0.5	4.9[2]
383	**Toda Construction** [2]/construction	3,399	26	3,788	2,572	12.30	0.13	0.15	0.4	5.3
384	**Nagase & Co Ltd**/trading	3,396	47	1,994	1,485	9.85	0.30	0.88	0.6	1.2[2]
385	**Nichirei**/food, household	3,384	33	1,409	2,591	8.79	0.11	0.11	0.5	2.4[2]
386	**Isetan**/retailing	3,384	59	1,832	3,634	17.09	0.28	0.26	0.4	6.0[2]
387	**Yamaha Corp**/leisure goods	3,376	61	3,163	2,485	13.01	0.32	0.30	0.5	12.8[2]
388	**Toyobo Co**/textile, apparel	3,361	46	3,656	4,315	6.33	0.07	0.09	0.6	9.0[2]
389	**Daiwa House**/construction	3,361	115	4,446	6,733	15.40	0.27	0.36	0.5	7.6
391	**Jujo Paper**/forest products	3,347	88	4,004	4,511	9.56	0.21	0.26	0.4	4.5[2]
392	**Konica**/leisure goods	3,347	13	3,817	2,916	8.22	0.04	0.09	0.9	13.0
393	**Shinsho Corp** [2]/trading	3,332	3	1,622	523	6.65	0.03	0.05	0.3	1.0
395	**Marui**/retailing	3,325	160	3,793	6,505	19.62	0.49	0.58	0.7	8.5[2]
404	**Tokyu Dept Stores**/retailing	3,262	36	2,234[1]	2,509	10.06	0.16	0.16	0.5	4.6[2]
405	**Oki Electric**/elec & electron	3,260	25	4,089	4,549	7.95	0.05	0.14	0.5	13.9[2]
406	**Nippon Light Metal**/metals nonfer	3,253	34	3,339	2,951	7.10	0.08	0.15	0.5	3.8[2]
407	**TDK**/electronic comp	3,251	173	4,082	4,456	36.99	1.44	1.40	0.8	19.6
409	**Hino Motors**/machinery & eng	3,238	29	1,958	2,803	8.02	0.09	0.15	0.5	8.1
414	**Yamazaki Baking**/food, household	3,199	71	2,098	2,463	11.18	0.32	0.34	0.6	13.9[2]
415	**Mitsui OSK Lines**/shipping	3,159	–72	5,967	7,343	7.02	–0.07	–0.02	0.0	1.9[2]
416	**Mitsui Toatsu Chems**/chemicals	3,159	54	4,658	5,075	7.67	0.08	0.16	0.5	5.3[2]
418	**Hokkaido Electric**/utilities	3,152	182	10,335	5,462	26.30	0.90	0.56	1.3	6.5
420	**Daikyo**/real estate	3,135	86	8,072	2,499	21.80	0.76	0.84	1.0	2.4
421	**Shiseido**/personal care	3,119	74	4,113	3,389	12.10	0.26	0.25	0.6	13.6[2]
424	**Nagasakiya**/retailing	3,094E	27	2,033[1]	4,660	32.00	0.18	0.18	0.3	3.7[2]
425	**Pioneer Electronic**/appliances	3,089	128	2,358	3,850	25.47	0.85	0.91	0.6	12.9
427	**General Sekiyu Group**/energy	3,086	58	2,497	1,808	10.69	0.43	0.24	0.8	1.4[2]
429	**Mitsubishi Petrochem**/chemicals	3,067	199	4,029	4,979	11.53	0.46	0.39	0.4	2.9
438	**Honshu Paper**/forest products	2,964	27	4,520	2,216	7.53	0.09	0.09	0.5	6.5[2]
439	**Maeda Corp** [2]/construction	2,963E	37	3,376	2,185	13.22	0.00	0.25	0.5	4.4
446	**Asahi Breweries**/bev & tobacco	2,932	34	5,940	4,739	15.47	0.11	0.20	0.4	6.2
450	**Sanyo-Kokusaku Pulp**/forest products	2,899	71	3,129	3,573	8.37	0.20	0.17	0.5	4.3[2]
454	**Sankyo Co**/personal care	2,891	87	2,821	6,182	17.44	0.25	0.33	0.3	5.9

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The 500 largest foreign companies

Japan

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
455	**Alps Electric**/electronic comp	$2,885	$65	$2,886	$2,159	12.17	$0.37	$0.28	0.9%	14.1
456	**Hitachi Chemical**/chemicals	2,884	28	2,217	2,592	14.84	0.16	0.19	0.3	5.0[2]
459	**Nissan Shatai Co** [2]/automobiles	2,856	15	1,032	1,089	6.93	0.09	0.09	0.9	5.2
462	**Iwatani & Co Ltd**/utilities	2,833E	9E	2,045	1,811	7.74	0.04	0.08	0.3	2.0[2]
463	**Hattori Seiko Co**/leisure goods	2,819	–67	2,824	1,573	16.39	–0.69	0.10	0.4	8.2
467	**Shikoku Electric**/utilities	2,805	176	7,986	7,138	26.51	0.66	0.56	1.3	5.9
468	**Meiji Milk Prods**/food, household	2,790	21	1,275	2,013	7.17	0.09	0.07	0.6	5.7[2]
470	**Toyo Sash**/bldg materials	2,776	140	2,643	6,130	39.59	1.97	NA	0.1	4.7[2]
474	**Taisho Marine & Fire**/insurance	2,755	206	22,730	6,467	9.49	0.30	0.18	0.5	7.2[2]
478	**Sato Kogyo**/construction	2,737	22	2,864	4,384	18.14	0.09	0.08	0.2	4.8[2]
479	**Nisshin Steel**/metals-steel	2,696	100	4,106	10,767	11.11	0.10	0.24	0.3	7.4[2]
483	**Seibu Railway**/trucking, RR	2,674	25	4,773	15,784	36.43	0.06	0.06	0.1	5.2
484	**Toyota Automatic Loom**/mach & eng	2,660	77	1,975	3,762	14.42	0.29	0.35	0.5	6.9
488	**Nagoya Railroad**/trucking, RR	2,653	48	7,223	6,604	9.28	0.07	0.07	0.3	8.4[2]
490	**Kyocera**/electronic comp	2,643	232	3,555	5,705	36.92	1.43	1.39	0.8	12.3[2]
491	**Onoda Cement**/bldg materials	2,638	73	3,683	3,452	7.45	0.16	0.19	0.5	1.5[2]
493	**Kawasaki Kisen**/shipping	2,624	–58	3,569	3,953	6.75	–0.10	0.02	0.0	1.3[2]
495	**Itoham Foods**/food, household	2,615	43	1,637	2,232	9.92	0.04	0.17	0.9	4.5[2]
498	**Kandenko**/construction	2,609	55	2,065	2,510	23.77	0.53	0.[illegible]5	0.2	9.1

Netherlands

P/E 10.0 • Yield 4.5% • Market value $89.8 billion • Year to date price change 2.9%

The Netherlands boasts of having the world's oldest stock exchange, dating back to 1611. Of the 569 stock issues traded on the Amsterdam stock exchange, over half are foreign. The Amsterdam Security Account System is unique in allowing foreign stocks to be traded in their native currency, and according to the rules of their home market. Nonetheless, a few large Dutch outfits—such as Royal Dutch Petroleum, Unilever, Akzo, Philips Lamps and KLM—account for up to half the trading volume in Amsterdam.

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
7	**Royal Dutch/Shell**/energy	$78,380	$5,237	$85,734	$54,706[3]	62.43	$6.25	$6.49	5.1%	134.0
21	**Unilever**/food, household	31,367	1,528	19,915	16,732[4]	61.98	5.45	5.39	3.1	295.0
25	**Philips Group**/appliances	28,382	534	26,432	4,602	17.02	1.98	1.77	5.3	310.3
109	**Nationale-Nederland**/insurance	9,510	398	41,005	3,881	27.58	3.09	3.02	4.6	23.1
137	**Akzo Group**/chemicals	8,393	426	6,741	2,758	65.80	10.17	10.23	5.1	71.1
152	**Ahold**/retailing	7,728	73	1,931	1,095	52.01	3.50	3.69	1.8	49.5
264	**NV DSM**/chemicals	5,120	315	4,174	2,188	62.52	8.99	10.81	3.4	28.0
276	**AEGON Insurance**/insurance	4,937	195	25,326	1,780	43.52	5.30	5.08	4.9	9.5
277	**Schlumberger Ltd**/energy	4,925	454	5,600	9,360	39.38	1.72	NA	3.0	48.0
315	**AMEV NV**/insurance	4,333	140	13,983	1,254	22.32	2.56	2.39	5.[illegible]	10.7
336	**Hoogovens Groep**/metals-steel	3,981	152	4,516	945	46.62	7.49	9.07	3.9	29.6
426	**Heineken NV**/bev & tobacco	3,088	147	3,271	1,640	51.07	4.99	5.09	3.1	28.7
442	**KLM**/airlines	2,959	184	5,209[1]	1,155	21.87	3.49	3.50	3.3	22.2

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Sources: Morgan Stanley Capital International Perspective; Forbes. Earnings estimates provided by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan.

The 500 largest foreign companies

Spain

P/E 16.7 ● Yield 3.8% ● Market value $88.0 billion ● Year to date price change -2.8%

Earlier this year the Madrid stock exchange began listing a handful of securities on the "continuous market," a computerized trading system that also has longer hours than the regular exchange. Repsol, Spain's largest oil company, went public three months ago and is expected to join the new market by the end of summer. As the market earnings multiple above suggests, international investors have grown most interested in sunny Spain's economic modernization and above-average prospects for growth.

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
101	**Banco Central Group**/banking	$9,936	$484	$90,449	$3,844	38.94	$2.52	NA	3.6%	23.8
146	**Repsol SA**/energy	8,089	480	6,392	4,967	16.63	1.60	$1.85	3.8	18.7
187	**Banco Bilbao-Vizcaya**/banking	6,923	730	62,426	7,375	56.73	6.52	6.77	3.5	32.0
258	**Telefónica**/telecomm	5,219	528	20,601	7,328	7.73	0.11	0.64	5.7	67.0
368	**Tabacalera**/bev & tobacco	3,563	47	1,346	1,397	37.94	0.25	2.73	2.1	8.5
399	**Banco Santander**/banking	3,292	337	25,818	5,172	49.70	3.24	3.61	2.5	15.5
419	**Banco Hispano Amer**/banking	3,140	280	27,772	2,833	33.81	3.42	3.78	3.3	18.1
436	**CEPSA**/energy	3,021[1]	65[1]	1,679[1]	1,184	20.06	1.64	1.65	4.0	3.6[2]

Sweden

P/E 13.8 ● Yield 2.1% ● Market value $96.8 billion ● Year to date price change 8.7%

Swedish corporations usually issue two types of common shares: "free" and "restricted." Foreign investors are allowed to purchase only "free" shares; this is a way to limit foreign control of Swedish companies. There are only 177 companies officially listed on the Stockholm stock exchange, but many are large: Market capitalization is just under $100 billion. With Swedish currency restrictions abolished as of July 1 of this year, foreigners will also be able to acquire Swedish money market instruments and bonds.

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
59	**Volvo Group** /automobiles	$15,766	$669	$14,122	$5,190	80.29	$8.62	$11.88	2.6%	77.1
82	**Electrolux Group** /appliances	12,077	298	9,232	3,550	49.23	4.11	5.80	3.5	147.2
186	**Saab-Scania**/machinery & eng	6,936	322	6,618	2,568	37.82	4.73	6.34	3.1	48.4
242	**Stora Group**/forest products	5,598	307	7,968	3,719	62.28	5.14	7.92	2.4	54.0
265	**Ericsson LM**/elec & electron	5,108	194	5,624	2,887	75.64	5.11	5.33	2.1	65.1
274	**Skand Enskilda Bank**/banking	4,985	383	46,965	3,586	13.96	2.98	1.43	5.1	9.4
354	**PKbanken Group**/banking	3,797	228	39,588	1,995	26.26	3.01	NA	3.1	5.0
356	**Svenska Handelsbank**/banking	3,780	300	38,658	2,541	24.61	2.85	2.85	2.7	6.6
357	**Skanska AB**/construction	3,768	160	4,700	4,953	79.54	2.55	2.36	0.8	29.7
373	**Trelleborg**/industrial comp	3,514	152	3,129[1]	1,715	54.93	4.73	5.82	2.2	21.9
377	**Nobel Industrier**/aero & defense	3,481	73	5,123	1,458	32.42	1.63	1.58	1.5	18.2
379	**SKF Group** /industrial comp	3,468	121	3,994	2,796	22.81	1.15	1.79	2.3	43.3
382	**SCA-Svenska Cellulosa**/forest products	3,411	197	4,429	3,067	57.78	3.49	5.41	1.9	21.3
434	**Bilspedition**/services	3,032	41	772	876	28.22	1.47	2.25	0.8	3.2
447	**Procordia Group**/multi-industry	2,929	163	2,888	2,775	74.29	4.39	4.50	1.2	27.8
481	**Sandvik**/metals-steel	2,677	260	3,356	2,735	51.03	4.86	5.82	1.8	26.2

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The 500 largest foreign companies

Switzerland

P/E 14.3 • Yield 2.4% • Market value $136.5 billion • Year to date price change –6.2%

The Swiss equities market has three major exchanges—in Basel, Geneva and Zurich. Each exchange has two markets: the official and the "premarket." The premarket operates similarly to the over-the-counter market in the U.S. Institutional investors account for over half the volume of total Swiss securities transactions. It takes institution-size money to buy some Swiss stocks: A single share of Roche/Sapac Group, for example, costs almost $169,000. Fourteen of the 15 other Swiss stocks listed below sell for over $500 a share.

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
27	**Nestlé**/food, household	$27,807	$1,387	$22,055	$13,549	4,161.78	$396.36	$385.18	2.5%	197.7
50	**Asea Brown Boveri**/elec & electron	18,340E	203	19,687	7,645[3]	2,209.85	NA	NA	1.7	173.9
83	**CIBA-GEIGY Group**/chemicals	12,060	905	16,430	9,075	2,086.75	167.43	163.31	1.4	88.8
96	**Zurich Insurance**/insurance	10,506	225[2]	2,276[2]	4,355	2,649.47	NA	215.91	1.4	25.2
158	**Winterthur Group**/insurance	7,619	151	22,267	2,803	2,549.82	109.34	189.85	1.5	16.3
162	**Union Bank of Switz**/banking	7,411	532	110,771	7,578	1,787.81	125.74	141.07	3.9	20.9
171	**Swiss Re Group**/insurance	7,154[1]	134[1]	22,496[1]	2,828	5,773.74	217.28	222.57	1.3	16.0
180	**Swiss Bank Corp**/banking	7,021	461	102,460	5,589	171.16	13.37	16.50	4.5	17.5
185	**Sandoz Group**/personal care	6,937	520	7,201	7,616	6,213.37	373.81	371.96	1.1	48.1
223	**Roche/Sapac Group**/personal care	5,939	427	10,157	8,535	168,815.94	661.18	555.45	0.5	49.7
266	**CS Holding**/banking	5,077	405	75,399	6,515	1,383.35	105.92	138.94	4.6	15.1[2]
313	**Jacobs Suchard**/food, household	4,361	210	2,056	2,356	4,021.10	349.21	336.86	2.4	17.1
328	**Alusuisse**/metals nonfer	4,085	215	3,949	1,280	632.47	101.83	91.84	1.9	24.4
361	**Sulzer Group**/machinery & eng	3,701	50	5,021	828	2,960.14	182.46	188.87	2.2	33.8
448	**Swissair**/airlines	2,928	50	3,237	1,013	609.61	46.37	36.41	3.7	18.6
452	**Oerlikon-Bührle**/aero & defense	2,892	–25	5,648	920	621.34	–15.85	8.81	0.0	29.9

United Kingdom

P/E 10.9 • Yield 4.6% • Market value $715.6 billion • Year to date price change 1.5%

The U.K.'s International Stock Exchange is the largest equity market in Europe. Unlike the New York and Tokyo exchanges, its trading floor is virtually redundant; transactions are handled electronically. Unsolicited takeover bids are becoming the rage in London. Minorco failed to win Consolidated Gold Fields; Hanson Plc. is now bidding over £3 billion for Cons Gold. And Gateway, Britain's third-largest retailer, received offers, first from Isosceles Plc., and later from Great Atlantic & Pacific Tea and Wasserstein, Perella.

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
11	**British Petroleum**/energy	$46,137	$2,155	$53,073	$24,261	4.56	$0.36	0.41	6.0%	125.9
38	**B.A.T Industries**/bev & tobacco	20,021	1,691	17,919	13,526	8.89	1.12	1.07	4.7	172.7
41	**Imperial Chemical**/chemicals	19,898	1,491	15,900	13,496	19.87	2.32	2.20	5.3	130.4
42	**British Telecomm**/telecomm	19,587	2,771	30,018	24,397	4.05	0.46	0.44	5.2	242.7
43	**Barclays Plc**/banking	19,474	158	189,273	7,837	7.01	1.57	1.39	6.9	118.4
45	**National Westminster**/banking	18,920	1,671	178,489	7,195	9.19	2.19	1.99	6.5	111.0
73	**British Gas**/utilities	13,315	1,591	19,308	11,752	2.75	0.37	0.36	6.3	79.7
75	**Hanson Plc**/multi-industry	13,109	1,184	13,167	12,304	3.14	0.30	0.28	5.0	105.0
81	**Lloyds Bank Group**/banking	12,309	1,096	93,786	4,308	5.27	1.35	1.29	6.7	83.9
87	**Prudential Corp Plc**/insurance	11,471	413	55,805	5,080	2.76	0.23	0.22	6.1	40.6
89	**Midland Group**/banking	11,386	734	100,843	4,117	5.27	0.96	0.92	6.5	59.1
97	**J Sainsbury Plc**/retailing	10,474	442	4,068[1]	5,669	3.78	0.30	0.28	2.8	54.2
99	**British Aerospace**/aero & defense	10,045	278	11,751	2,662	10.42	1.10	1.26	4.2	133.0
106	**BTR Plc**/multi-industry	9,749	866	8,391	9,935	5.78	0.52	0.54	4.4	98.6

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Sources: Morgan Stanley Capital International Perspective; Forbes; Earnings estimates provided by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan

The 500 largest foreign companies

United Kingdom

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
110	**General Electric Co**/elec & electron	$9,455	$768	$10,066	$10,135	3.72	$0.29	$0.32	3.9%	157.3
120	**Marks & Spencer Plc**/retailing	9,059	609	5,091	7,687	2.87	0.23	0.22	4.1	50.9
123	**RTZ Corp**/metals nonfer	8,893	761	8,262	6,207	7.84	0.98	0.90	4.0	82.1
125	**Gateway Corp Plc**/retailing	8,864	233	3,552	2,868	3.21	0.26	0.03	5.9	84.2
138	**Tesco Plc**/retailing	8,392	331	3,537	4,231	2.74	0.21	0.21	2.7	52.7
144	**Grand Metropolitan**/multi-industry	8,219	730	9,852	7,301	8.48	0.85	0.83	4.0	75.4
148	**Royal Insurance**/insurance	8,005	273	13,019	2,988	6.22	0.57	0.55	7.6	30.0
149	**Dalgety Plc**/food, household	7,892	116	2,210	1,280	5.78	0.53	0.51	5.6	22.8
159	**British Airways**/airlines	7,532	310	5,901	2,269	3.15	0.42	0.42	5.2	50.2
183	**British Steel**/metals-steel	6,998	698	8,010	2,761	1.38	0.36	0.42	5.5	52.0
190	**Allied-Lyons**/bev & tobacco	6,813	554	8,988	5,171	6.91	0.76	0.76	4.6	81.4
195	**Saatchi & Saatchi**/services	6,728	133	1,750	798	5.04	0.85	0.51	6.7	16.6
206	**Hillsdown Holdings**/food, household	6,322	200	2,739	1,981	4.25	0.48	0.47	3.0	42.8
210	**Argyll Group Plc**/retailing	6,192	274	2,406	2,929	3.20	0.28	0.27	3.7	63.0
218	**Peninsular & Oriental**/shipping	6,014	390	6,985	4,056	10.31	1.03	1.03	5.2	55.7
228	**Sun Alliance & London**/insurance	5,839	449	22,062	3,397	17.22	2.28	NA	5.0	13.6[2]
231	**Thorn EMI Plc**/appliances	5,821	323	3,824[1]	3,056	10.99	1.13	1.09	4.5	64.4
232	**Lonrho Group**/multi-industry	5,789	236	5,063	2,341	4.22	0.53	0.45	7.9	129.9
236	**Commercial Union**/insurance	5,659	[illegible]	22,510	2,434	5.75	0.52	0.43	7.1	20.1
237	**Standard Chartered**/banking	5,644	378	42,867	1,902	8.12	2.05	1.51	8.8	28.0
247	**Genl Accident Fire**/insurance	5,525	379	15,518	3,178	[illegible]	1.92	1.54	6.1	14.8[2]
251	**Bass Plc**/bev & tobacco	5,438[4]	528	6,922	5,110	[illegible]	1.56	1.66	3.5	79.3
256	**BICC Plc Group**/industrial comp	5,255	159	2,754	2,041	7.87	0.69	0.69	4.3	44.7
268	**Ladbroke Group**/leisure	5,073	303	6,044	3,947	9.22	0.71	0.75	3.7	48.1
269	**Tarmac Plc**/bldg materials	5,059	435	4,157	3,677	5.10	0.61	0.60	4.1	28.9
281	**Guardian Royal Exch**/insurance	4,852	280	7,893	2,622	3.24	0.34	0.30	6.5	14.8
283	**Sears Plc**/retailing	4,821	329	3,665[1]	2,770	1.84	0.21	0.18	5.8	63.1
284	**Boots Co Plc**/retailing	4,785	360	3,769	4,176	4.51	0.41	0.36	4.3	70.0
287	**Trafalgar House Plc**/multi-industry	4,743	321	3,636	2,912	5.84	0.66	0.64	6.0	32.3
288	**Kingfisher Plc**/retailing	4,732	306	3,276	2,065	4.74	0.71	0.46	4.7	36.6
290	**Asda Group Plc**/retailing	4,702	250	2,888	3,093	2.64	0.22	0.23	3.5	48.2
294	**Berisford Intl Plc**/trading	4,688	121	2,546	1,174	2.42	0.25	0.24	5.4	9.9
297	**Courtaulds Plc**/chemicals	4,617	454	3,054	2,098	5.35	0.64	0.60	5.1	58.4
300	**Legal & General**/insurance	4,548	170	25,007	2,275	4.79	0.36	0.35	6.0	8.0
307	**Beecham Group Plc**/personal care	4,441	533	4,756[1]	7,396	9.76	0.71	0.70	3.4	35.8
309	**Assoc British Foods**/food, household	4,405	283	3,795[1]	2,483	5.56	0.64	0.59	3.5	53.9
312	**Inchcape Plc**/trading	4,368	150	2,258	1,542	4.41	0.43	NA	4.4	44.4
317	**Great Universal**/retailing	4,277	436	5,831	4,010	15.99	1.74	1.78	3.9	33.8
319	**Cadbury Schweppes**/food, household	4,243	249	2,810	3,425	5.46	0.43	0.39	3.5	28.9
322	**STC Group Plc**/elec & electron	4,199	258	2,962	3,186	5.67	0.46	0.47	3.3	33.8
325	**Pilkington Plc**/misc materials	4,128	320	3,943	2,681	3.64	0.46	0.49	5.0	57.4
344	**United Biscuits**/food, household	3,857	203	2,321	2,203	5.24	0.48	0.44	5.0	47.0
349	**Unigate Group**/food, household	3,830	111	1,422	1,364	5.93	0.49	0.50	4.6	34.9
358	**Royal Bk of Scotland**/banking	3,766	342	36,525	1,795	5.97	1.19	1.15	5.5	23.2
359	**BOC Group Plc**/chemicals	3,758	363	4,072	3,483	7.60	0.78	0.76	4.6	38.1

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The 500 largest foreign companies

United Kingdom

Rank	Company/business	Revenue	Net Income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
362	**Tate & Lyle Group**/food, household	$3,701	$121	$2,949	$1,293	4.16	$0.42	$0.39	3.9%	17.0
364	**RMC Group Plc**/bldg materials	3,679	200	2,334	2,292	11.85	1.03	1.06	2.6	23.3
365	**Trusthouse Forte Plc**/leisure	3,636	313	6,611	4,098	5.21	0.39	0.40	3.4	79.8
366	**Glaxo Holdings**/personal care	3,609	1,001	4,901	15,994	21.37	1.35	1.41	2.7	26.4
370	**GKN Plc**/machinery & eng	3,540	194	2,807	1,553	6.09	0.78	0.75	5.9	37.1
372	**Rolls-Royce Plc**/aero & defense	3,515	258	3,225	2,359	2.94	0.32	0.35	4.5	40.9
381	**Guinness Plc**/bev & tobacco	3,436	579	8,622	6,806	7.70	0.69	0.64	3.1	19.8
390	**Redland Plc**/bldg materials	3,360	251	2,346	2,511	9.19	0.92	0.94	4.5	17.0
394	**Hawker Siddeley**/machinery & eng	3,328	198	2,971	2,165	10.94	1.00	1.00	4.3	42.9
398	**Coats Viyella Plc**/textile, apparel	3,304	89	2,594	1,383	2.63	0.28	NA	7.2	67.4
400	**Booker**/multi-industry	3,278	99	1,302	1,213	7.13	0.66	0.62	5.3	17.2
402	**Lex Services**/services	3,263	88	1,012	555	5.95	0.94	0.86	4.9	8.5
411	**Lucas Industries**/industrial comp	3,227	199	2,452	1,641	9.74	1.39	1.20	4.7	59.0
422	**Bunzl**/forest products	3,110	101	1,397	943	2.31	0.25	0.25	5.2	16.8
428	**George Wimpey Plc**/construction	3,082	166	2,707	1,281	4.42	0.59	0.58	4.4	17.2
430	**Harrison & Crosfield**/misc materials	3,064	157	1,931	1,473	2.72	0.30	0.27	6.0	27.3
433	**BET Plc**/multi-industry	3,041	260	2,471	3,027	4.17	0.39	0.43	5.3	97.1
443	**Ranks Hovis McDougal**[1]/food, household	2,953	184	2,735	2,458	6.99	0.55	0.54	3.4	38.2
449	**Plessey Company**/elec & electron	2,928	232	2,428	3,118	4.16	0.32	0.30	3.9	30.1
451	**Dixons Group**/retailing	2,895	105	1,603	862	2.25	0.28	0.20	4.1	18.5
453	**Smith (WH)**/retailing	2,892	80	1,270	953	4.88	0.42	0.48	4.1	30.8
461	**Whitbread**/bev & tobacco	2,842	214	3,588	2,360	5.46	0.49	0.62	4.8	49.2
464	**Burton Group**/retailing	2,813	246	2,409	1,848	3.34	0.44	0.39	5.5	35.2
471	**Cookson Group**/misc materials	2,775	205	1,986	1,862	5.13	0.57	0.56	3.2	5.0
477	**Reed International**/media	2,742	336	3,515[1]	3,380	6.14	0.62	0.58	3.6	31.2
499	**Bowater Industries**/forest products	2,608	97	1,608	908	7.59	0.82	0.82	4.2	20.3
500	**Granada Group Plc**/leisure	2,605	147	2,233	1,633	5.49	0.51	NA	4.3	19.7

European

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
Austria										
435	**Creditanstalt**/banking	$3,023	$34	$39,204	$1,481	192.62	$4.54	NA	2.1%	10.4
465	**ÖMV AG**/energy	2,812	106	3,049[1]	926	463.09	52.88	$33.49	2.5	6.4
Denmark										
492	**East Asiatic Co**/multi-industry	2,632	51	2,017	672	40.40	3.07	3.25	3.2	15.2
Finland										
207	**Kesko Group**/trading	6,246	133	3,047	1,279	17.06	1.87	1.98	2.5	7.6
259	**Oy Nokia**/multi-industry	5,216	235	5,452	1,927	32.84	3.74	NA	2.4	44.6
Norway										
118	**Norsk Hydro**/energy	9,207	579	10,097	4,682	22.80	2.82	2.78	2.3	40.0

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The 500 largest foreign companies

Far East

Hong Kong

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
412	**Swire Pacific Ltd**/multi-industry	$3,214	$384	$6,244	$3,715	2.34	$0.24	$0.27	4.2%	24.0

Korea

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
154	**Hyundai Corp**/trading	7,686	12	316	219	45.63	2.46	3.07	2.0	0.8
295	**Hyundai Motor Co**/automobiles	4,664	58	2,717	1,676	48.05	1.66	2.69	1.9	34.0
308	**Bank of Seoul**/banking	4,437	43	41,635	2,364	28.83	0.45	0.67	3.1	9.3
342	**Gold Star Co**/electronic comp	3,875	25	3,258	1,743	32.28	0.46	0.58	1.9	36.4
460	**Hyundai Eng & Const**/construction	2,848	57	3,965	1,940	48.50	1.43	0.92	1.5	53.1

New Zealand

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
224	**Fletcher Challenge**/forest products	5,931	380	7,686	2,565	2.79	0.43	0.38	5.3	40.0

South America

Argentina

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
203	**YPF-Yacimientos Pet**/energy	$6,435	NA	$12,164[3]	NA	NA	NA	NA	NA	33.8

Brazil

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
8	**Banco do Brasil**/banking	55,295	$2,212[2]	80,202[2]	$476	0.58	$1.52	NA	11.9%	135.4
22	**Banco Bradesco SA**/banking	31,326	571[3]	13,868[3]	705	0.16	0.14	NA	7.9	137.9
40	**Banco Itaú Group**/banking	19,945	395[3]	8,974[3]	398	0.11	0.10	NA	6.6	84.2
46	**BANESPA Group**/banking	18,881	467[3]	9,468[3]	NA	NA	4.77	NA	NA	37.4
65	**Petrobrás**/energy	14,806	765[3]	13,535[3]	180	0.31	0.76	NA	NA	59.2
124	**Unibanco Group**/banking	8,865	102[3]	4,511[3]	74	0.18	0.12	NA	NA	25.0

Miscellaneous

Israel

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
271	**Bank Hapoalim BM**/banking	$5,043[1]	$191[1]	$30,111[1]	$2,793	56.68	NA	NA	0.0%	7.8[2]
318	**Bank Leumi le-Israel**/banking	4,266	113	28,144	2,565	36.27	NA	NA	0.0	12.5

South Africa

Rank	Company/business	Revenue	Net income	Assets	Market value	Stock price	EPS 1988	EPS 1989E	Yield	Employees (thou)
333	**So African Breweries**/bevs & tobacco	4,011	209	2,643	2,179	8.13	$0.79	$0.82	3.7	85.0
444	**Tradegro**/retailing	2,950	13	901	31	0.54	0.22	0.15	3.0	43.5

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AEGON Insurance Group/Netherlands	276	294
AGF-Assurances Générales de France/France	191	285
Ahold/Netherlands	152	294
Air Canada/Canada	469	285
Aisin Seiki Co Ltd/Japan	355	293
Ajinomoto Co/Japan	375	293
Akzo Group/Netherlands	137	294
Alcan Aluminium Ltd/Canada	133	284
Alitalia/Italy	410	288
All Nippon Airways Co Ltd/Japan	327	292
Allianz Worldwide/Germany	56	286
Allied-Lyons Plc/UK	190	300
Alps Electric/Japan	455	294
Alusuisse/Switzerland	328	298
AMEV NV/Netherlands	315	294
Argyll Group Plc/UK	210	300
Asahi Breweries Ltd/Japan	446	293
Asahi Chemical Industry Co Ltd/Japan	189	290
Asahi Glass Co Ltd/Japan	153	290
Asda Group Plc/UK	290	300
Asea Brown Boveri Group/Switzerland	50	298
Asko Deutsche Kaufhaus AG/Germany	142	288
Associated British Foods Plc/UK	309	300
Australia & New Zealand Banking/Australia	216	283
Banco Bilbao-Vizcaya SA/Spain	187	296
Banco Bradesco SA/Brazil	22	303
Banco Central Group/Spain	101	296
Banco do Brasil/Brazil	8	303
Banco Hispano Americano Grupo/Spain	419	296
Banco Itaú Group/Brazil	40	303
Banco Santander Group/Spain	399	296
BANESPA Group/Brazil	46	303
Bank Bruxelles Lambert/Belgium	314	284
Bank Hapoalim BM/Israel	271	303
Bank Leumi le-Israel BM/Israel	318	303
Bank of Montreal/Canada	164	284
Bank of Nova Scotia/Canada	238	284
Bank of Seoul/Korea	308	303
Bank of Tokyo Ltd/Japan	98	290
Bank of Yokohama Ltd/Japan	335	293
Banque Nationale de Paris Group/France	51	285
Barclays Plc/UK	43	298
BASF Group/Germany	30	286
Bass Plc/UK	251	300
Bayer Group/Germany	34	286
Bayerische Hypotheken/Germany	248	288
Bayerische Vereinsbank Group/Germany	197	288
BCE Inc/Canada	80	284

Company/country	Rank	Page
Beecham Group Plc/UK	307	300
Bell Resources Ltd/Australia	494	283
Berisford International Plc/UK	294	300
BET Plc/UK	433	302
BICC Plc Group/UK	256	300
Bilspedition/Sweden	434	296
BMW-Bayerische Motoren Werke/Germany	69	286
BOC Group Plc/UK	359	300
Bond Corp Holdings Ltd/Australia	431	283
Booker Plc/UK	400	302
Boots Co Plc/UK	284	300
Bouygues Group/France	136	285
Bowater Industries Plc/UK	499	302
Bridgestone Corp/Japan	117	290
British Aerospace Plc/UK	99	298
British Airways Plc/UK	159	300
British Gas Plc/UK	73	298
British Petroleum Co Plc/UK	11	298
British Steel Corp/UK	183	300
British Telecommunications Plc/UK	42	298
Broken Hill Proprietary Co Ltd/Australia	174	283
BSN-Groupe/France	175	285
BTR Plc/UK	106	298
Groupe Bull/France	255	285
Bunzl Plc/UK	422	302
Burton Group/UK	464	302
B.A.T Industries Plc/UK	38	298
Cadbury Schweppes Plc/UK	319	300
Campeau Corp/Canada	173	284
Canada Packers/Canada	485	285
Canadian Imperial Bank of Commerce/Canada	166	284
Canadian Pacific Ltd/Canada	105	284
Canon Inc/Japan	131	290
Carrefour Group/France	91	285
Casino Groupe/France	222	285
CEPSA-Cia Española de Petróleos/Spain	436	296
CFAO-Cie Française de l'Afrique/France	338	286
Chargeurs SA/France	497	286
Chori Co Ltd/Japan	285	292
Chubu Electric Power/Japan	77	289
Chugoku Electric Power Co/Japan	208	290
CIBA-GEIGY Group/Switzerland	83	298
CIC-Crédit Industriel et Commercial/France	215	285
Co op AG/Germany	199	288
Coats Viyella Plc/UK	398	302
Coles Myer Ltd/Australia	113	283
Commercial Union Assurance Co Plc/UK	236	300
Commerzbank/Germany	168	288
Continental Group/Germany	304	288
Cookson Group/UK	471	302

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Company/country	Rank	Page
Cosmo Oil Co Ltd/Japan	102	290
Courtaulds Plc/UK	297	300
CRA Limited/Australia	323	283
Crédit Commercial de France Group/France	289	285
Crédit Foncier de France/France	257	285
Crédit Lyonnais Group/France	39	285
Creditanstalt Banking Group/Austria	435	302
Crownx/Canada	445	285
CS Holding/Switzerland	266	298
CSR Group/Australia	466	283
Dai-Ichi Kangyo Bank Ltd/Japan	49	289
Dai Nippon Printing Co Ltd/Japan	249	292
Daiei Inc/Japan	63	289
Daihatsu Motor Co Ltd/Japan	235	292
Daikyo/Japan	420	293
Daimaru/Japan	225	292
Daimler-Benz Group/Germany	14	286
Dainippon Ink & Chemicals/Japan	305	292
Daiwa Bank Ltd/Japan	262	292
Daiwa House Industry Co Ltd/Japan	388	293
Daiwa Securities Co Ltd/Japan	253	292
Dalgety Plc/UK	149	300
Degussa AG/Germany	150	288
Delhaize "Le Lion" Group/Belgium	234	284
Deutsche Babcock Group/Germany	440	288
Deutsche Bank Group/Germany	72	286
Deutsche Lufthansa AG/Germany	194	288
Dixons Group/UK	451	302
Docks de France/France	343	286
Dresdner Bank/Germany	121	286
NV DSM/Netherlands	264	294
Dumez Group/France	363	286
East Asiatic Company Ltd A/S/Denmark	492	302
Elders IXL Ltd/Australia	157	283
Electrolux Group/Sweden	82	296
Elf Aquitaine Group/France	37	285
Telefonaktiebolaget LM Ericsson/Sweden	265	296
Euromarché SA/France	346	286
Feldmühle Nobel Group/Germany	303	288
Ferruzzi Group/Italy	44	288
Fiat Group/Italy	18	288
Fletcher Challenge Ltd/New Zealand	224	303
Fuji Bank Ltd/Japan	57	289
Fuji Electric Co Ltd/Japan	332	292
Fuji Heavy Industries Ltd/Japan	270	292
Fuji Photo Film Co Ltd/Japan	193	290
Fujita Corp/Japan	321	292
Fujitsu Ltd/Japan	48	289
Furukawa Electric Co Ltd/Japan	299	292
GAN-Groupe des Assurances/France	260	285

Company/country	Rank	Page
Gateway Corp Plc/UK	125	300
GB-Inno-BM/Belgium	352	284
General Accident Fire & Life Assurance/UK	247	300
General Electric Co Plc/UK	110	300
General Sekiyu Group/Japan	427	293
Générale Bank Group/Belgium	198	284
Générale des Eaux Groupe/France	68	285
Cie Générale d'Electricité/France	35	285
Générale Occidentale/France	441	286
Generali Group/Italy	100	288
George Weston Ltd/Canada	127	284
GKN Plc/UK	370	302
Glaxo Holdings Plc/UK	366	302
Gold Star Co Ltd/Korea	342	303
Granada Group Plc/UK	500	302
Grand Metropolitan Plc/UK	144	300
Great Universal Stores Plc/UK	317	300
Great-West Lifeco/Canada	330	284
Guardian Royal Exchange Plc/UK	281	300
Guinness Plc/UK	381	302
Hachette SA/France	458	286
Hanson Plc/UK	75	298
Hanwa Co Ltd/Japan	311	292
Harrisons & Crosfield Plc/UK	430	302
Hattori Seiko Co Ltd/Japan	463	294
HAVAS Group/France	489	286
Hawker Siddeley Group Plc/UK	394	302
Hazama-Gumi Ltd/Japan	378	293
Heineken NV/Netherlands	426	294
Henkel Group/Germany	229	288
Hillsdown Holdings Plc/UK	206	300
Hino Motors Ltd/Japan	409	293
Hitachi Chemical/Japan	456	294
Hitachi Ltd/Japan	10	289
Hochtief AG/Germany	496	288
Hoechst Group/Germany	32	286
Hoesch Group/Germany	2[illegible]6	288
Hokkaido Electric Power/Japan	418	293
Hokkaido Takushoku Bank Ltd/Japan	267	292
Philipp Holzmann AG/Germany	397	288
Honda Motor Co Ltd/Japan	28	289
Honshu Paper Co Ltd/Japan	438	293
Hoogovens Groep/Netherlands	336	294
Hudson's Bay Co/Canada	350	284
Hyundai Corp/Korea	154	303
Hyundai Engineering & Const/Korea	460	303
Hyundai Motor Co/Korea	295	303
Imasco Ltd/Canada	278	284
IMETAL Group/France	476	286
Imperial Chemical Industries Plc/UK	41	298

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Company/country	Rank	Page
Inchcape Plc/UK	312	300
INCO Ltd/Canada	403	284
Industrial Bank of Japan Ltd/Japan	54	289
INTERCOM/Belgium	396	284
International Thomson Organisation/Canada	360	284
Isetan Co Ltd/Japan	385	293
Ishikawajima-Harima Heavy Inds/Japan	212	290
Isuzu Motors Ltd/Japan	115	290
Ito-Yokado Co Ltd/Japan	84	289
C Itoh & Co Ltd/Japan	3	289
Itoham Foods/Japan	495	294
Itoman & Co Ltd/Japan	227	292
Iwatani & Co Ltd/Japan	462	294
Jacobs Suchard Group/Switzerland	313	298
Japan Air Lines Co Ltd/Japan	179	290
Jujo Paper Co Ltd/Japan	391	293
Jusco Co Ltd/Japan	112	290
Kajima Corp/Japan	107	290
Kandenko Co Ltd/Japan	498	294
Kanebo Ltd/Japan	341	293
Kanematsu-Gosho Ltd/Japan	26	289
Kansai Electric Power Co/Japan	60	289
Kao Corp/Japan	306	292
Karstadt Group/Germany	177	288
Kaufhof Group/Germany	233	288
Kawasaki Heavy Industries Ltd/Japan	280	292
Kawasaki Kisen (Steam)/Japan	493	294
Kawasaki Steel Corp/Japan	167	290
Kawashu Corp/Japan	93	289
Kesko Group/Finland	207	302
Kingfisher Plc/UK	288	300
Kinki Nippon Railway Co Ltd/Japan	293	292
Kirin Brewery Co Ltd/Japan	245	292
KLM Royal Dutch Airlines/Netherlands	442	294
Kobe Steel Ltd/Japan	156	290
Komatsu Ltd/Japan	211	290
Konica/Japan	392	293
Kredietbank NV/Belgium	369	284
Kubota Ltd/Japan	239	292
Kumagai Gumi Co Ltd/Japan	178	290
Kyocera Corp/Japan	490	294
Kyowa Bank Ltd/Japan	226	292
Kyushu Electric Power/Japan	161	290
L'Aire Liquide Group/France	316	286
L'Oréal Group/France	326	286
Ladbroke Group Plc/UK	268	300
Lafarge Coppée/France	351	286
Legal & General Group/UK	300	300
Lex Services/UK	402	302
Lloyds Bank Group/UK	81	298

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Long-Term Credit Bank of Japan Ltd/Japan	92	289
Lonrho Group/UK	232	300
Lucas Industries Plc/UK	411	302
LVMH Moët Hennessy Louis Vuitton/France	473	286
Lyonnaise des Eaux Group/France	417	286
M A N Group/Germany	130	288
Maeda Corp/Japan	439	293
Mannesmann Group/Germany	86	286
Marks & Spencer Plc/UK	120	300
Marubeni Corp/Japan	5	289
Marui/Japan	395	293
MATRA Group/France	408	286
Matsushita Electric Industrial Co/Japan	13	289
Matsushita Electric Works/Japan	213	290
Matsuzakaya Co Ltd/Japan	337	293
Mazda Motor Corp/Japan	62	289
Meiji Milk Products Co Ltd/Japan	468	294
Metallgesellschaft AG/Germany	128	288
Michelin Group/France	129	285
Midland Group/UK	89	298
Mitsubishi Bank Ltd/Japan	58	289
Mitsubishi Corp/Japan	4	289
Mitsubishi Electric Corp/Japan	36	289
Mitsubishi Heavy Industries Ltd/Japan	66	289
Mitsubishi Kasei Corp/Japan	170	290
Mitsubishi Metal Corp/Japan	241	292
Mitsubishi Motors Corp/Japan	67	289
Mitsubishi Oil Co Ltd/Japan	273	292
Mitsubishi Petrochemical Co Ltd/Japan	429	293
Mitsubishi Trust & Banking Corp/Japan	139	290
Mitsui Bank Ltd/Japan	85	289
Mitsui OSK Lines Ltd/Japan	415	293
Mitsui Real Estate Development Co Ltd/Japan	250	292
Mitsui Toatsu Chemicals/Japan	416	293
Mitsui Trust & Banking Co Ltd/Japan	147	290
Mitsui & Co Ltd/Japan	1	289
Mitsukoshi Ltd/Japan	214	292
Münchener Rückversicherungs/Germany	184	288
Nagasakiya Co Ltd/Japan	424	293
Nagase & Co Ltd/Japan	384	293
Nagoya Railroad Co Ltd/Japan	488	294
National Australia Bank Group/Australia	243	283
National Westminster Bank Plc/UK	45	298
Nationale-Nederlanden/Netherlands	109	294
NEC Corp/Japan	31	289
Nestlé/Switzerland	27	298
News Corp Ltd/Australia	310	283
Nichii Co Ltd/Japan	145	290
Nichimen Corp/Japan	20	289
Nichirei Corp/Japan	386	293

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Nippon Credit Bank Ltd/Japan	169	290
Nippon Express Co Ltd/Japan	111	290
Nippon Light Metal Co Ltd/Japan	406	293
Nippon Meat Packers/Japan	353	293
Nippon Mining Co Ltd/Japan	230	292
Nippon Oil Co Ltd/Japan	78	289
Nippon Steel Corp/Japan	52	289
Nippon Suisan Kaisha Ltd/Japan	347	293
Nippon Telegraph & Telephone Corp/Japan	12	289
Nippon Yusen KK/Japan	296	292
Nippondenso Co Ltd/Japan	119	290
Nissan Fire & Marine Insurance Co Ltd/Japan	220	292
Nissan Motor Co Ltd/Japan	15	289
Nissan Shatai Co Ltd/Japan	459	294
Nisshin Steel Co Ltd/Japan	479	294
Nissho Iwai Corp/Japan	6	289
Nixdorf Computer AG/Germany	432	288
NKK Corp/Japan	141	290
Nobel Industrier AB/Sweden	377	296
Oy Nokia/Finland	259	302
Nomura Securities Co Ltd/Japan	165	290
Noranda/Canada	176	284
Norsk Hydro a s/Norway	118	302
Nova Corp of Alberta/Canada	413	285
OCP-Office Comm Pharmaceutique/France	371	286
Oerlikon-Bührle Group/Switzerland	452	298
Ohbayashi Corp/Japan	219	292
Oji Paper Co Ltd/Japan	334	293
Oki Electric Industry Co Ltd/Japan	405	293
Olivetti Group/Italy	200	288
OMV AG/Austria	465	302
Onoda Cement Co Ltd/Japan	491	294
Osaka Gas Co Ltd/Japan	324	292
Oshawa Group Ltd/Canada	376	284
Pacific Dunlop Ltd/Australia	486	283
Paribas Group/France	79	285
Pechiney Group/France	132	285
Peninsular & Oriental Steam Navigation/UK	218	300
Petrobrás-Petróleo Brasileiro SA/Brazil	65	303
Petrofina SA/Belgium	74	284
Peugeot Groupe SA/France	33	285
Philips Group/Netherlands	25	294
Pilkington Plc/UK	325	300
Pioneer Electronic Corp/Japan	425	293
Pirelli SpA/Italy	181	288
PKbanken Group/Sweden	354	296
Plessey Company Plc/UK	449	302
Preussag Group/Germany	202	288
Groupe Printemps/France	320	286
Procordia Group/Sweden	447	296

Company/country	Rank	Page
Promodès Group/France	151	285
Provigo Inc/Canada	217	284
Prudential Corp Plc/UK	87	298
Ranks Hovis McDougall Plc/UK	443	302
Redland Plc/UK	390	302
Reed International Plc/UK	477	302
Repsol SA/Spain	146	296
Rhône-Poulenc Group/France	90	285
Ricoh Co Ltd/Japan	279	292
RMC Group Plc/UK	364	302
Roche/Sapac Group/Switzerland	223	298
Rolls-Royce Plc/UK	372	302
Royal Bank of Canada/Canada	135	284
Royal Bank of Scotland Group Plc/UK	358	300
Royal Dutch/Shell Group/Netherlands	7	294
Royal Insurance Holdings/UK	148	300
RTZ Corporation Plc/UK	123	300
RWE Group/Germany	61	286
Saab-Scania Group/Sweden	186	296
Saatchi & Saatchi Plc/UK	195	300
SAE-Société Auxiliaire d'Entreprises/France	423	286
J Sainsbury Plc/UK	97	298
Saint-Gobain Group/France	103	285
Saitama Bank Ltd/Japan	209	290
Sandoz Group/Switzerland	185	298
Sandvik AB/Sweden	481	296
Sankyo Co/Japan	454	293
Sanwa Bank Ltd/Japan	64	289
Sanyo Electric Co Ltd/Japan	108	290
Sanyo-Kokusaku Pulp Co/Japan	450	293
Sato Kogyo Co Ltd/Japan	478	294
Schering Group/Germany	437	288
Schlumberger Ltd/Netherlands Antilles	277	294
Schneider SA/France	192	285
Seagram Co Ltd/Canada	338	284
Sears Plc/UK	283	300
Seibu Railway Co Ltd/Japan	483	294
Seiyu Ltd/Japan	140	290
Sekisui Chemical Ltd/Japan	348	293
Sekisui House Ltd/Japan	221	292
Sharp Corp/Japan	126	290
Shikoku Electric Power Co/Japan	467	294
Shimizu Construction Co Ltd/Japan	143	290
Shinsho Corp/Japan	393	293
Shiseido Co Ltd/Japan	421	293
Showa Denko KK/Japan	275	292
Showa Shell Sekiyu/Japan	104	290
Siemens Group/Germany	17	286
Skandinaviska Enskilda Bank Group/Sweden	274	296
Skanska AB/Sweden	357	296

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SKF Group/Sweden	379	296
SME Soc Meridionale Finanziaria/Italy	457	288
Smith (WH) Group/UK	453	302
Snow Brand Milk Products Co Ltd/Japan	204	290
Société Générale Group/France	71	285
Solvay Group/Belgium	188	284
Sony Corp/Japan	55	289
South African Breweries Ltd/South Africa	333	303
Standard Chartered Group/UK	237	300
STC Group Plc/UK	322	300
Steinberg Inc/Canada	367	284
STET Group/Italy	73	288
Stora Group/Sweden	242	296
Suez Group/France	134	285
Sulzer Group/Switzerland	361	298
Sumitomo Bank Ltd/Japan	47	289
Sumitomo Chemical Co Ltd/Japan	182	290
Sumitomo Corp/Japan	2	289
Sumitomo Electric Industries Ltd/Japan	246	292
Sumitomo Metal Industries Ltd/Japan	155	290
Sumitomo Metal Mining Co Ltd/Japan	374	293
Sumitomo Rubber Industries Ltd/Japan	380	293
Sumitomo Trust & Banking Co Ltd/Japan	95	290
Sun Alliance & London Insurance Plc/UK	228	300
Suzuki Motor Co Ltd/Japan	201	290
SCA-Svenska Cellulosa AB/Sweden	382	296
Svenska Handelsbanken/Sweden	356	296
Swire Pacific Ltd/Hong Kong	412	303
Swiss Bank Corp/Switzerland	180	298
Swiss Re Group/Switzerland	171	298
Swissair/Switzerland	448	298
Tabacalera/Spain	368	296
Taisei Corp/Japan	122	290
Taisho Marine & Fire Insurance Co Ltd/Japan	474	294
Taiyo Fishery Co Ltd/Japan	163	290
Taiyo Kobe Bank Ltd/Japan	114	290
Takashimaya Co Ltd/Japan	205	290
Takeda Chemical Industries Ltd/Japan	298	292
Tarmac Plc/UK	269	300
Tate & Lyle Group/UK	362	302
TDK/Japan	407	293
Teijin Ltd/Japan	340	293
Telefónica/Spain	258	296
Tesco Plc/UK	138	300
Thomson CSF/France	244	285
Thorn EMI Plc/UK	231	300
Thyssen Group/Germany	53	286
TNT Ltd/Australia	482	283
Toda Construction Co Ltd/Japan	383	293
Tohoku Electric Power Co/Japan	160	290
Tokai Bank Ltd/Japan	88	289
Tokio Marine & Fire Insurance Co Ltd/Japan	240	292
Tokyo Electric Power Co/Japan	23	289
Tokyo Gas Co Ltd/Japan	261	292
Tokyu Department Stores/Japan	404	293
Tonen Corp/Japan	302	292
Toppan Printing Co Ltd/Japan	263	292
Toray Industries/Japan	254	292
Toronto-Dominion Bank/Canada	292	284
Toshiba Corp/Japan	24	289
Toshoku Ltd/Japan	272	292
TOTAL Group-Française des Pétroles/France	70	285
Toyo Menka Kaisha Ltd/Japan	16	289
Toyo Sash Co Ltd/Japan	470	294
Toyo Seikan Kaisha Ltd/Japan	301	292
Toyo Trust & Banking Co Ltd/Japan	331	292
Toyobo Co Ltd/Japan	389	293
Toyota Automatic Loom Works Ltd/Japan	484	294
Toyota Motor Corp/Japan	9	289
Toyota Tsusho Corp/Japan	94	290
Tradegro Ltd/South Africa	444	303
Trafalgar House Plc/UK	287	300
TransCanada PipeLines Ltd/Canada	487	285
Trelleborg AB /Sweden	373	296
Trusthouse Forte Plc/UK	365	302
UAP-Union des Assurances de Paris/France	116	285
Ube Industries Ltd/Japan	345	293
Unibanco Group/Brazil	124	303
Unigate Group/UK	349	300
Unilever/Netherlands	21	294
Union Bank of Switzerland/Switzerland	162	298
United Biscuits (Holdings) Plc/UK	344	300
Uny Co Ltd/Japan	291	292
Valeo Group/France	472	286
VEBA Group/Germany	29	286
VEW-Vereinigte Elektrizitätswerke/Germany	401	288
VIAG Group/Germany	252	288
Volkswagen Group/Germany	19	286
Volvo Group/Sweden	59	296
Westpac Banking Group/Australia	172	283
Whitbread & Co Plc/UK	461	302
George Wimpey Plc/UK	428	302
Winterthur Group/Switzerland	158	298
YPF-Yacimientos Petrolíferos/Argentina	203	303
Yamaha Corp/Japan	387	293
Yamaha Motor Co Ltd/Japan	329	
Yamazaki Baking Co Ltd/Japan	414	293
Yasuda Fire & Marine Insurance Co Ltd/Japan	282	292
Yasuda Trust & Banking Co Ltd/Japan	196	290
Zurich Insurance Group/Switzerland	96	298

The 100 Largest Foreign Investments In The U.S.

Foreign capital again flooded into the U.S. in record amounts. U.S. Commerce Department figures show that in 1988, foreigners spent $219 billion on American assets. This exceeds 1987's revised figure by $8 billion. Of the total, $161 billion was invested in financial assets such as bank deposits and U.S. government securities, including U.S. Treasurys.

Total direct investment by foreigners in U.S. property, plant, equipment and services advanced to a record $58 billion.

With the exception of two companies—Glaxo Holdings and Sobey Parties—the seven companies that earned their way onto the list below made it through acquisitions. Maxwell Communications spent $3.4 billion to take over publisher Macmillan and the Official Airline Guides; the Bank of Tokyo acquired Union Bank; Bank of Montreal acquired Harris Bankcorp; and IFINT of Luxembourg now holds 29% of the spunoff automotive seating division of Lear Siegler. Smaller acquisitions were made by the Otto family through its U.S. subsidiary, Spiegel.

But the biggest acquisitions were made by foreign giants that were already on this list. Among the biggest deals: B.A.T Industries spent $5 billion for Farmers Group, and Rupert Murdoch's News Corp. paid $3 billion for Triangle Publications. Grand Metropolitan Plc.'s recent purchase of Minnesota-based Pillsbury propelled the British conglomerate into sixth place on the list below.

Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (mil)	Net income (mil)	Assets (mil)
1	**Seagram Co Ltd***	Canada	EI du Pont de Nemours*	23%	chemicals, energy	$32,657	$2,190.0	$30,719
			Joseph E Seagram & Sons	100	alcoholic beverages	2,540	495.6	7,946
			Tropicana Products	100	beverages	741	NA	NA
						35,938		
2	**Royal Dutch/Shell Group***	Netherlands/UK	Shell Oil	100	energy, chemicals	21,070	1,204.0	27,169
3	**British Petroleum Plc***	UK	BP America	100	energy	14,378	NA	22,452
4	**B.A.T Industries Plc***	UK	BATUS	100	multicompany	6,251	535.3	3,788
			Farmers Group	100	insurance	1,191	292.8	7,704
	Imasco Ltd*	Canada	Peoples Drug Stores	100	drugstores	1,498	NA	NA
			Imasco USA	100	fast food	1,431	NA	NA
						10,371		
5	**Tengelmann Group**	Germany	Great A&P Tea*	53	supermarkets	10,068	127.6	2,640
6	**Grand Metropolitan Plc***	UK	Pillsbury	100	food processors	6,191	69.3	3,840
			Grand Metropolitan USA	100	beverages, retailing	2,700	NA	NA
						8,891		
7	**Campeau**	Canada	Federated Dept Stores	100	retailing	6,220	NA	10,784
			Allied Stores	100	retailing			
			Ralphs Grocery	100	supermarkets	1,842	NA	1,112
						8,062		
8	**Nestlé SA***	Switzerland	Nestlé Enterprises	100	food processing	6,089	NA	4,863
			Alcon Laboratories	100	optical products	500E	NA	NA
						6,589		
9	**Hanson Plc***	UK	Hanson Industries	100	multicompany	6,030	300.3	5,772
10	**Pechiney**	France	American National Can	100	packaging	4,320	NA	3,120
			Pechiney	100	metal castings	1,398	NA	1,228
						5,718		
11	**Petróleos de Venezuela, SA**	Venezuela	Citgo Petroleum	50	refining, marketing	4,110	165.6	1,343
			Champlin Refining	100	refining, marketing	1,600E	NA	550E
						5,710		
12	**Unilever NV*** **Unilever Plc***	Netherlands UK	Unilever United States	100	food processing	5,688	133.2	6,449

*Publicly traded in the U.S. in shares or ADRs. E: Estimate. NA: Not available. Note: Some foreign investors on the list own U.S. companies indirectly through companies in italics.

The 100 largest foreign investments in the U.S.

Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (mil)	Net income (mil)	Assets (mil)
13	**Hoechst AG***	Germany	Hoechst Celanese	100%	chemicals	$5,679	$250.0	$5,703
14	**NV Philips***	Netherlands	North American Philips	100	electronics	5,424	79.1	3,423
15	**BASF AG***	Germany	BASF	100	chemicals	5,000	149.2	2,956
16	**Bayer AG***	Germany	Mobay	100	chemicals	2,017	113.4	1,493
			Miles	100	health care	1,706	62.8	1,229
			Agfa	100	photography	818	–20.0	759
			Other companies	100	chemicals	178	31.8	147
						4,719		
17	**Groupe Bruxelles Lambert**	Belgium	Drexel Burnham Lambert	26	finance	4,660	–129.9	27,740
18	**Brascan Ltd***	Canada						
	Noranda	Canada	Noranda US	100	minerals, forest prods	2,993	NA	1,944
	John Labatt Ltd	Canada	Johanna Farms	100	dairy, juice products	1,504	NA	713
			other companies	100	package foods,brewing			
						4,497		
19	**Honda Motor Co Ltd***	Japan	Honda of America Mfg	100	automotive	4,400E	NA	NA
20	**BCE***	Canada	BCE Development* (US)	67	real estate	354	NA	1,840
	Northern Telecom Ltd*	Canada	Northern Telecom	100	telecommunications	3,480	NA	2,744
	Trans Canada Pipeline*	Canada	Great Lakes Gas Trans	50	gas transmission	280	32.3	313
			Northern Border Pipeline	30	gas transmission	210	57.5	1,050
						4,324		
21	**Ferruzzi Group**	Italy	Central Soya	100	food processor	2,197	11.4	886
	Montedison Group*	Italy	Himont*	81	chemicals	1,711	372.9	1,905
			Erbamont	71	pharmaceuticals	211	NA	580
			Conserv	100	agro-industry	92	7.3	46
			Ausimont USA	88	chemicals	91	NA	NA
						4,302		
22	**Bridgestone***	Japan	Firestone Tire & Rubber	100	tire & rubber	3,500E	NA	NA
			Bridgestone USA	100	tire & rubber	584	NA	NA
						4,084		
23	**Imperial Chemical Industries Plc***	UK	ICI Americas	100	chemicals, drugs, paint	4,000	NA	NA
24	**Sony Corp***	Japan	CBS Records	100	records	2,577	NA	NA
			Sony (US)	100	consumer electronics	1,300E	NA	NA
						3,877		
25	**Delhaize "Le Lion" SA**	Belgium	Food Lion*	44	supermarkets	3,815	112.5	1,088
26	**Fujitsu Ltd***	Japan	Amdahl*	44	electronics	1,802	213.8	1,931
			Fujitsu America	100	electronics	1,416	NA	NA
			Fujitsu Microelectronics	100	electronics	570	20.5	400
						3,788		
27	**Anglo Amer of S Africa***	South Africa	Engelhard*	30	metals	2,351	63.7	1,413
	Minorco*	Luxembourg	Inspiration Resources*	56	agricultural, mining	1,366	42.0	842
	Charter Consol*	UK	Natl Mine Service*	51	mining equipment	62	3.1	29
						3,779		
28	**CS Holding**							
	CS First Boston	Switzerland	First Boston	100	investment banking	3,654	132.4	44,560
29	**Zurich Insurance Group**	Switzerland	Maryland Casualty	100	insurance	1,938	22.0	3,535
			Zurich American Ins	100	insurance	1,079	84.6	2,478
			Universal Underwriters	100	insurance	600	55.0	900
						3,617		
30	**Electrolux AB***	Sweden	White Consolidated	100	appliances	3,600	NA	2,800
31	**Vendex International**	Netherlands	Dillard Dept Stores*	43	retailing	2,558	113.8	2,068
			Barnes & Noble	30	retailing	1,000	NA	NA
			Dalton	50	retailing			
						3,558		

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The 100 largest foreign investments in the U.S.

Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (mil)	Net income (mil)	Assets (mil)
32	**Ahold NV***	Netherlands	First National Supermkts	85%	supermarkets	$1,547	NA	$375
			BI-LO	100	supermarkets	1,270	NA	390
			Giant Food Stores	100	supermarkets	697	NA	140
						3,514		
33	**Siemens AG***	Germany	Siemens Corp	100	electronics	3,100	$–218.9	3,115
			Siemens-Bendix Auto	100	electronics	264	NA	NA
						3,364		
34	**CIBA-GEIGY Ltd**	Switzerland	CIBA-GEIGY	100	chemicals, drugs	3,202	NA	3,120
35	**Franz Haniel & Cie**	Germany	Scrivner	100	food distribution	3,200	NA	NA
36	**RTZ Plc***	UK	US Borax & Chemical	100	mining, borax	2,095	190.1	1,105
			US Silica	100	sand, clays			
			Interchem	100	chemicals			
	Rio Algom Ltd	Canada	Rio Algom Inc	100	metals, mining	478	NA	NA
	RTZ Pillar Ltd	UK	Indal US	100	building products	463	NA	310
						3,036		
37	**Jefferson Smurfit Group Plc**	Ireland	Jefferson Smurfit*	77	paper, packaging	1,255	144.5	817
	Smurfit International BV	Netherlands	Container Corp of Am	50	paper products	1,731	NA	1,303
						2,986		
38	**Alcan Aluminium**	Canada	Alcan Aluminum	100	aluminum	2,967	101.0	1,448
39	**Hongkong & Shanghai Banking Corp***	Hong Kong	Marine Midland Banks	100	banking	2,849	115.4	25,964
40	**NKK Corp***	Japan	National Steel	50	steel	2,599	65.6	1,791
			Int'l Light Metals	40	aluminum, titanium	127	6.0	162
						2,726		
41	**BTR Plc***	UK	BTR Dunlop	100	energy, construction	2,000E	NA	NA
			Rockwell Control Div	100	consumer products	380	NA	NA
			Schlegel Corp	100	auto parts	300	NA	NA
						2,680		
42	**Thomson SA**	France	Thomson Consumer Elec	100	consumer electronics	2,679	–69.0	2,652
43	**Petrofina SA**	Belgium	American Petrofina*	86	energy	2,635	132.9	2,356
44	**Manufacturers Life Insurance**	Canada	Manufacturers Life Ins US	100	insurance	2,600E	NA	NA
45	**News Corp Ltd***	Australia	News America	100	media	1,852	NA	4,127
			Triangle Publications	100	publishing	700E	NA	NA
						2,552		
46	**Royal Insurance Holdings Plc**	UK	Royal USA	100	insurance	2,522	–66.2	4,760
47	**Dalgety Plc**	UK	Martin-Brower	100	food distribution	2,477	NA	NA
			Modern Maid Food	100	food products			
48	**Prudential Corp Plc***	UK	Jackson National Life	100	insurance	2,443	49.1	5,624
49	**George Weston Ltd***	Canada	Stroehmann Bakeries	100	bakery	528	NA	235
			Interbake Foods	100	bakery			
			Eddy Paper	100	paper products			
	Loblaw Cos*	Canada	National Tea	100	supermarkets	1,839	NA	480E
						2,367		
50	**Power Corp of Canada**	Canada						
	Great-West Lifeco	Canada	Great-West Life Assur	97	insurance	2,329	NA	8,459
51	**Henkel KGaA**	Germany	Clorox*	27	household products	1,260	132.6	1,156
			Henkel of America	100	chemicals	650	NA	NA
			Loctite	25	chemicals	417	41.9	347
						2,327		
52	**Compagnies des Machines Bull***	France	Bull HN Information Sys	69	information systems	2,206	0.5	1,618

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The 100 largest foreign investments in the U.S.

Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (mil)	Net income (mil)	Assets (mil)
53	**Edmund J Safra**	Switzerland						
	Saban SA	Switzerland	Republic NY*	33%	banking	$2,105	$169.7	$24,519
54	**Régie Nationale des Usines Renault**	France	Mack Trucks*	45	automotive	2,102	24.9	1,684
55	**Maxwell Communications**	UK	Macmillan	100	publishing	1,041	NA	3,360
			Maxwell Comm NA	100	publishing, printing	865	NA	1,314
			Official Airline Guides	100	publishing	135	NA	38
						2,041		
56	**Carrefour**	France	Costco Wholesale*	22	retailing	2,030	11.6	452
57	**Bank of Tokyo Ltd***	Japan	Union Bank	75	banking	1,489	83.0	15,010
			Bank of Tokyo Trust	100	banking	535	37.2	6,946
						2,024		
58	**Daimler-Benz AG**	Germany	Freightliner	100	automotive	1,709	NA	NA
	AEG AG*	Germany	AEG	100	elec equip, electronics	310	NA	NA
			Other companies	100	elec equip, computers			
						2,019		
59	**Bertelsmann AG**	Germany	Bertelsmann USA	100	printing, publishing	2,000E	NA	NA
60	**Total CFP**	France	Total Minatome	100	oil & gas	142	NA	933
	Total Petrol NA Ltd*	Canada	Total Petroleum	100	energy	1,789	68.6	802
						1,931		
61	**Canadian Pacific Ltd***	Canada	Soo Line*	56	railroad	570	15.6	905
			Canadian Pacific US	100	transportation, steel	360E	NA	NA
	AMCA Int'l Ltd*	Canada	AMCA US	100	industrial machinery	963	NA	NA
						1,893		
62	**Dainippon Ink & Chemicals†**	Japan	Sun Chemical	100	printing, chemicals	800E	NA	NA
			Reichhold Chemicals	100	chemicals	774	NA	NA
			Polychrome	100	printing	277	8.1	256
						1,851		
63	**AEGON NV***	Netherlands	AEGON USA	100	insurance	1,803	NA	6,312
64	**Crownx**	Canada	Crown Life Insurance	94	insurance	1,454	NA	4,184
			Extendicare Group	100	health care	330	NA	NA
						1,784		
65	**Sandoz Ltd**	Switzerland	Sandoz United States	100	chemicals, drugs	1,757	NA	NA
66	**Roche/Sapac**	Switzerland	Hoffmann-La Roche	100	drugs, chemicals	1,750	NA	NA
67	**National Westminster Bank Plc***	UK	Nat Westminster Bancorp	100	banking	1,747	97.9	19,013
68	**General Accident Fire & Life Plc**	Scotland	Gen Accident Corp of Am	100	insurance	1,668	30.3	4,167
69	**Nationale-Nederlanden NV**	Netherlands	Nationale-Nederlanden US	100	insurance	1,638	63.1	4,474
69	**SNECMA**	France	CFM International	50	aviation	1,638	3.7	778
71	**Beazer Plc***	UK	Beazer Materials & Svc	100	const materials, chem	1,000E	NA	NA
			Gifford-Hill & Co	100	const materials			
			Beazer Properties	100	real estate	618	NA	NA
			Tidewater Construction	100	construction			
						1,618		
72	**Nissan Motor Co Ltd***	Japan	Nissan Motor Mfg USA	100	automotive	1,600	NA	NA
72	**Bond Corp Holdings**	Australia	G Heileman Brewing	100	alcoholic beverages	1,600E	NA	1,555
74	**Moore Corp Ltd***	Canada	Moore Business Forms	100	business forms	1,583	93.6	953
75	**IFINT SA**	Luxembourg	Lear Siegler Seating	29	auto parts	900	NA	NA
			Moog Automotive	100	auto parts	416	NA	NA
			CR Industries	100	auto parts	250	NA	NA
						1,566		

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The 100 largest foreign investments in the U.S.

Rank	Foreign investor	Country	US investment	% owned	Industry	Revenue (mil)	Net income (mil)	Assets (mil)
76	**TBG Holding NV**	Netherlands	TBG USA Ball-InCon Glass	100 50	pumps, information sys containers, packaging	$1,000E 524 1,524	NA NA	NA 360
77	**NV AMEV**	Netherlands	AMEV Holdings	100	insurance	1,495	$22.6	$2,562
78	**Volvo AB***	Sweden	Volvo GM Heavy Truck VME Americas	76 50	automotive automotive	1,176 301 1,477	NA NA	NA NA
79	**Akzo NV***	Netherlands	Akzo America Inc	100	multicompany	1,445	–14.6	1,571
80	**Thyssen AG***	Germany	Budd	100	auto parts	1,419	NA	NA
81	**BOC Group Plc***	UK	BOC Group	100	gases & health care	1,412	68.0	1,754
82	**Otto Family**	Germany	Spiegel*	87	catalog retailing	1,402	57.0	1,207
83	**Continental AG**	Germany	General Tire	100	tire	1,400	NA	NA
83	**Kuwait Petroleum**	Kuwait	Santa Fe Intl (KPC)	100	energy	1,400E	NA	NA
83	**Rhône-Poulenc Group**	France	Rhône-Poulenc	100	chemicals	1,400	NA	1,750
86	**Schlumberger NV***	Neth Antilles	Schlumberger Technology	100	oilfield svs, electron	1,346	NA	NA
87	**Elf Aquitaine Group**	France	Elf Aquitaine, Inc	100	oil & gas, chemicals	1,340	NA	3,138
88	**Glaxo Holdings Plc***	UK	Glaxo Inc	100	ethical pharmaceuticals	1,316	NA	NA
89	**Commercial Union Assurance Plc**	UK	Commercial Union	100	insurance	1,309	37.2	2,280
90	**Pakhoed Holding**	Netherlands	Univar*	35	chemicals	1,308	20.0	431
91	**Olympia & York Developments Ltd** ***Trizec*** ***Abitibi-Price****	Canada Canada Canada	Landmark Land* Rouse* Abitibi-Price* (US)	25 23 100	real estate property dev, banking bldg products, newsprint	482 461 364 1,307	13.2 20.0 NA	3,696 2,080 325
92	**General Electric Plc***	UK	Picker International AB Dick other companies	100 100 100	medical equipment office equipment elec system & component	1,291	NA	NA
93	**United Biscuits (Holdings) Plc**	UK	Keebler	100	food processing	1,283	53.7	557
94	**Saint-Gobain**	France	CertainTeed	100	building supplies	1,267	45.9	1,108
95	**Sobey Parties**	Canada	Hannaford Brothers*	25	food distribution	1,262	28.9	387
96	**J Sainsbury Plc***	UK	Shaw's Supermarkets	100	supermarkets	1,231	NA	NA
97	**Toyota Motor Corp***	Japan	New United Motor Mfg Toyota Motor Mfg	50 100	automotive automotive	1,000E 200E 1,200	NA NA	NA NA
98	**Bank of Montreal**	Canada	Harris Bankcorp	100	banking	1,125	90.1	11,276
99	**Tate & Lyle Plc**	UK	A E Staley Manufacturing Pacific Molasses Western Sugar Other companies	90 100 75 100	food distr, processors molasses, animal feeds sugar refining sugar processing	1,114	33.8	NA
100	**Beecham Group Plc***	UK	Beecham Beecham Cosmetics Beecham Products Norcliff Thayer	100 100 100 100	drugs, consumer prods cosmetics, fragrances consumer products drugs	1,106	NA	NA

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The 100 Largest U.S. Multinationals

There has been much wringing of hands lately because the U.S., once a net creditor in the world economy, is now in a position where our foreign liabilities exceed our foreign assets. But the worry rings hollow. Many of the assets—the foreign investments of U.S. multinational companies—have been made over the years and are carried at very low historical cost. But most of the liabilities are newer, and therefore are priced closer to current values. If one side of the balance sheet is, in essence, at current values, shouldn't one write up the other side, too?

The list below of America's 100 largest multinationals is a good reminder of how extensive U.S. overseas investments are. These companies' foreign operations booked sales of $506 billion last year. The figure represents a 15% increase over 1987.

Unless protectionism catches hold, foreign sales should continue to increase. For example, the free trade pact with Canada—our largest trading partner by far—will go a long way toward boosting two-way trade and also increase direct investment by U.S. multinationals north of the border. The multinationals' Canadian divisions, like Canadian companies, want to be able to sell their output freely to the U.S. market. Deborah Kuenstner, an international investing strategist with Merrill Lynch, predicts that future foreign investments will emphasize acquisitions and improving distribution networks over new bricks and mortar.

Despite a 16% drop in foreign revenues (to $48 billion), Exxon Corp. remains America's largest multinational. General Motors (with $29 billion in foreign sales) dropped from fourth place to fifth, while Ford Motor climbed from fifth place to second, another reflection of its dazzling turnaround. Corporate giants like Boeing do not appear: They are high-volume exporters. But we include here only sales booked abroad by a company's overseas operations.

1988 rank	Company	Foreign revenue (mil)	Total revenue (mil)	Foreign revenue as % of total	Foreign net profit[1] (mil)	Total net profit[1] (mil)	Foreign net profit as % of total[1]	Foreign assets (mil)	Total assets (mil)	Foreign assets as % of total
1	**Exxon**	$48,192	$67,292	71.6%	$3,910	$5,360	72.9%	$30,740	$74,293	41.4%
2	**Ford Motor**	41,842	92,446	45.3	2,285	5,300	43.1	35,912	143,367	25.0
3	**IBM**	34,361	59,681	57.6	4,071	5,491	74.1	35.293	73,037	48.3
4	**Mobil**	33,039[2]	49,237[2]	67.1	1,517[3]	2,514[3]	60.3	19,424	38,820	50.0
5	**General Motors**	29,128	120,388	24.2	3,070	4,856	63.2	34,424	163,820	21.0
6	**Citicorp**	16,451	32,024	51.4	977	1,698	57.5	87,723[4]	207,106[4]	42.4
7	**Texaco**	16,325	33,544	48.7	1,336	1,304	102.5	8,358	26,337	31.7
8	**EI du Pont de Nemours**	12,896[5]	32,917[5]	39.2	847[6]	2,454[6]	34.5	9,019	30,719	29.4
9	**ITT** [7]	10,419	24,239	43.0	618[3]	1,533[3]	40.3	7,983	41,941	19.0
10	**Dow Chemical**	9,185	16,682	55.1	1,189	2,410	49.3	8,682	16,239	53.5
11	**Procter & Gamble**	7,294	19,336	37.7	241	1,020	23.6	4,751	14,820	32.1
12	**Eastman Kodak**	7,010	17,034	41.2	639	1,397	45.7	6,201	22,964	27.0
13	**Chase Manhattan**	6,080	12,365	49.2	339	1,059	32.0	31,880	97,455	32.7
14	**Xerox**	5,739	16,441	34.9	211	388	54.4	6,735	26,441	25.5
15	**Digital Equipment**	5,665	11,475	49.4	1,160[3]	1,741[3]	66.6	4,388	10,112	43.4
16	**United Technologies**	5,279	18,518	28.5	249[8]	705[8]	35.3	3,776	12,748	29.6
17	**Chevron**	5,264	25,196	20.9	898	1,768	50.8	6,688	33,968	19.7
18	**Philip Morris**	5,258	25,920	20.3	226	2,064	10.9	7,458	36,960	20.2
19	**Hewlett-Packard**	5,068	9,831	51.6	315	816	38.6	2,984	7,497	39.8
20	**American Intl Group**	4,979[9]	13,613	36.6	631[3]	1,425[3]	44.3	13,932[9]	37,409	37.2

[1] From continuing operations [2] Includes other income [3] Operating profit [4] Average assets [5] Includes excise taxes [6] Operating income after taxes. [7] Includes proportionate interest in unconsolidated subsidiaries and affiliates [8] Net income before minority interest [9] Excludes Canadian operations. [10] Net income before corporate expense [11] Pretax income D-P: Deficit over profit P-D: Profit over deficit NA: Not available

The 100 largest U.S. multinationals

1988 rank	Company	Foreign revenue (mil)	Total revenue (mil)	Foreign revenue as % of total	Foreign net profit[1] (mil)	Total net profit[1] (mil)	Foreign net profit as % of total[1]	Foreign assets (mil)	Total assets (mil)	Foreign assets as % of total
21	**Amoco**	$4,853[2]	$21,517[2]	22.6%	$367	$2,063	17.8%	$10,248	$29,919	34.3%
22	**Goodyear**	4,733	10,810	43.8	143	350	40.9	3,067	8,618	35.6
23	**Coca-Cola**	4,617	8,338	55.4	692	1,045	66.2	2,150	7,451	28.9
24	**General Electric**	4,599[2]	50,089[2]	9.2	1,009[3]	5,950[3]	17.0	8,641	110,865	7.8
25	**Unisys**	4,534	9,902	45.8	185	681	27.2	3,408	11,535	29.5
26	**Johnson & Johnson**	4,424	9,000	49.2	551	974	56.6	3,148	7,119	44.2
27	**American Express**	4,313	22,934	18.8	324	988	32.8	25,298	142,704	17.7
28	**Minn Mining & Mfg**	4,230	10,581	40.0	472	1,154	40.9	2,669	8,922	29.9
29	**JP Morgan**	4,149	7,839	52.9	545	1,002	54.4	38,442	83,923	45.8
30	**Chrysler**	4,110	35,473	11.6	283	1,050	27.0	5,798	48,567	11.9
31	**Tenneco**	4,012	13,234	30.3	21	–1	P-D	4,959	17,376	28.5
32	**Motorola**	3,968	8,250	48.1	228[3]	856[3]	26.6	2,211	6,710	33.0
33	**Sears, Roebuck**	3,744	50,251	7.5	41	1,454	2.8	2,752	77,952	3.5
34	**Aluminum Co of America**	3,540	9,795	36.1	534[8]	1,037[8]	51.5	4,607	10,538	43.7
35	**FW Woolworth**	3,500	8,088	43.3	91	288	31.6	1,588	3,535	44.9
36	**NCR**	3,490	5,990	58.3	353	439	80.4	1,882	4,717	39.9
37	**American Brands**	3,441	7,236	47.6	355	541	65.6	2,898	12,201	23.8
38	**Caterpillar**	3,104	10,435	29.7	64[3]	1,175[3]	5.4	1,821	9,686	18.8
39	**K mart**[7]	3,083	29,623	10.4	NA	803	NA	1,271	12,529	10.1
40	**Monsanto**	3,074	8,293	37.1	271	591	45.9	2,316	8,461	27.4
41	**Manufacturers Hanover**	3,058	8,545	35.8	561	752	74.6	23,052	66,710	34.6
42	**Colgate-Palmolive**	3,047	4,734	64.4	121	153	79.1	1,583	3,218	49.2
43	**BankAmerica**	2,967	10,181	29.1	–358	726	D-P	22,862	94,647	24.2
44	**Merck**	2,943	5,940	49.5	455	1,207	37.7	1,878	6,128	30.6
45	**Atlantic Richfield**	2,891	17,626	16.4	64	1,583	4.0	3,938	21,514	18.3
46	**Bankers Trust New York**	2,741	5,851	46.8	294	648	45.4	32,583	57,942	56.2
47	**Allied-Signal**	2,740	11,909	23.0	123	463	26.6	1,983	10,005	19.8
48	**Pan Am**	2,717	3,569	76.1	106[3]	–64[3]	P-D	NA	2,149	NA
49	**Sara Lee**	2,714	10,424	26.0	165	325	50.8	2,366	5,012	47.2
50	**CPC International**	2,657	4,700	56.5	182	297	61.3	1,794	3,342	53.7
51	**Union Carbide**	2,566	8,324	30.8	136	662	20.5	3,086	8,441	36.6
52	**Pfizer**	2,501	5,385	46.4	465[8]	794[8]	58.6	2,470	7,638	32.3
53	**PepsiCo**	2,456	13,007	18.9	299	762	39.2	3,211	11,135	28.8
54	**GTE**	2,414	16,460	14.7	125	1,225	10.2	4,067	31,104	13.1
55	**Gillette**	2,330	3,581	65.1	201	269	74.7	1,836	2,868	64.0
56	**Cigna**	2,319	17,889	13.0	–33	410	D-P	6,175	55,825	11.1
57	**Bank of Boston**	2,241	5,296	42.3	50	322	15.5	6,210[4]	33,694[4]	18.4
58	**HJ Heinz**	2,192	5,244	41.8	124	386	32.1	1,604	3,605	44.5
59	**Kimberly-Clark**[7]	2,178	5,805	37.5	NA	379	NA	1,901	4,432	42.9
60	**WR Grace**	2,140	5,786	37.0	156	192	81.3	1,517	5,310	28.6

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The 100 largest U.S. multinationals

1988 rank	Company	Foreign revenue (mil)	Total revenue (mil)	Foreign revenue as % of total	Foreign net profit[1] (mil)	Total net profit[1] (mil)	Foreign net profit as % of total[1]	Foreign assets (mil)	Total assets (mil)	Foreign assets as % of total
61	**SmithKline Beckman**	$2,113	$4,749	44.5%	$256	$229	111.8%	$1,762	$5,017	35.1%
62	**Bristol-Myers**	2,109	5,973	35.3	210	829	25.3	1,286	5,190	24.8
63	**Texas Instruments**	2,036	6,295	32.3	36	366	9.8	1,310	4,428	29.6
64	**Rockwell International**	1,960	11,946	16.4	108	812	13.3	1,589	9,209	17.3
65	**TRW**	1,930	6,982	27.6	104	261	39.8	1,288	4,442	29.0
66	**Warner-Lambert**	1,870	3,908	47.9	114	340	33.5	1,125	2,703	41.6
67	**McDonald's**	1,850[2]	5,566[2]	33.2	172	646	26.6	3,011	8,159	36.9
68	**Chemical New York**	1,842	7,644	24.1	438	754	58.1	12,879	67,349	19.1
69	**Security Pacific**	1,805	8,483	21.3	72	639	11.3	15,387	77,870	19.8
70	**UAL**	1,790	8,982	19.9	NA	1,124	NA	NA	6,701	NA
71	**American Cyanamid**	1,761	4,592	38.3	210	306	68.6	1,117	4,593	24.3
72	**Deere**	1,722	5,365	32.1	91[3]	386[3]	23.6	1,143	5,245	21.8
73	**American Family**	1,722	2,325	74.1	81	109	74.3	5,057	6,074	83.3
74	**Unocal**	1,713[2]	9,154[2]	18.7	155[10]	666[10]	23.3	1,576	9,508	16.6
75	**American Home Products**	1,711	5,501	31.1	133	932	14.3	1,261	4,611	27.3
76	**Sun Co**	1,702[5]	9,744[5]	17.5	5	7	71.4	2,495	8,616	29.0
77	**Scott Paper** [7]	1,701	5,203	32.7	142[11]	619[11]	22.9	1,427	5,340	26.7
78	**Dresser Industries**	1,695	3,942	43.0	113[3]	265[3]	42.6	758	2,899	26.1
79	**PPG Industries**	1,687	5,617	30.0	175[8]	477[8]	36.7	1,483	5,154	28.8
80	**Abbott Laboratories**	1,677	4,937	34.0	109	752	14.5	1,107	4,825	22.9
81	**Honeywell**	1,641	7,148	23.0	101	–435	P-D	1,239	5,089	24.3
82	**Phillips Petroleum**	1,631	11,304	14.4	319	650	49.1	2,183	11,968	18.2
83	**Borden**	1,614	7,243	22.3	80	312	25.6	1,154	4,440	26.0
84	**Baxter Travenol**	1,612	6,861	23.5	108	388	27.8	1,425	8,550	16.7
85	**Salomon**	1,583	6,146	25.8	220	280	78.6	36,070	85,256	42.3
86	**Kellogg**	1,582	4,349	36.4	131	480	27.3	1,465	3,298	44.4
87	**Avon Products**	1,549	3,063	50.6	222[3]	402[3]	55.2	904	2,460	36.7
88	**Quaker Oats**	1,539	5,330	28.9	124[3]	518[3]	23.9	629	2,975	21.1
89	**Eli Lilly**	1,505	4,070	37.0	247	761	32.5	1,603	5,263	30.5
90	**Occidental Petroleum**	1,504	19,933	7.5	248[10]	1,381[10]	18.0	1,860	20,747	9.0
91	**Halliburton**	1,486[2]	4,839[2]	30.7	88[8]	83[8]	106.0	942	4,722	19.9
92	**Emerson Electric**	1,473	6,651	22.1	114	529	21.6	1,058	5,027	21.0
93	**AMP**	1,449	2,670	54.3	172	319	53.9	1,036	2,376	43.6
94	**Ralston Purina**	1,435	5,876	24.4	97	388	25.0	747	4,044	18.5
95	**Westinghouse Electric**	1,321	12,500	10.6	41	823	5.0	799	16,937	4.7
96	**Litton Industries**	1,308	4,864	26.9	31[8]	176[8]	17.6	478	5,074	9.4
97	**Dun & Bradstreet**	1,307	4,267	30.6	–1	499	D-P	1,273	5,024	25.3
98	**Intel**	1,235	2,875	43.0	281	453	62.0	1,078	3,550	30.4
99	**Dana**	1,225	5,190	23.6	132[3]	424[3]	31.1	452	4,786	9.4
100	**Squibb**	1,200	2,586	46.4	180	426	42.3	722	3,083	23.4

[1] From continuing operations. [2] Includes other income. [3] Operating profit. [4] Average assets. [5] Includes excise taxes. [6] Operating income after taxes. [7] Includes proportionate interest in unconsolidated subsidiaries and affiliates. [8] Net income before minority interest. [9] Excludes Canadian operations. [10] Net income before corporate expense. [11] Pretax income. D-P: Deficit over profit. P-D: Profit over deficit. NA: Not available.

100 U.S.-Traded Foreign Stocks

American Depositary Receipts (ADRS) were first introduced in 1927. Broadly speaking, they've been gaining popularity ever since. According to the Securities & Exchange Commission there are now 700 foreign companies whose shares trade as ADRS in the U.S. market.

What's the advantage of trading a company's ADRS, as opposed to its underlying shares? Convenience, mainly. Were you to buy, say, Kyocera shares on the Tokyo stock exchange, the transaction would take at least two weeks—and perhaps as much as six months—to clear and settle. By contrast, Kyocera's New York Stock Exchange-traded ADR is just like any U.S. security, so it can clear and settle in only five days. Another item of convenience: ADRS pay their dividends in dollars.

There is an element of protection involved, too. Companies with ADRS must generally conform to most U.S. accounting standards and disclosure rules. If you buy a foreign security directly on its home exchange, the chances are you'll never receive so much as an annual report or notice of the annual meeting. (But note that only holders of "sponsored" ADRS necessarily receive financial statements; companies with "unsponsored" ADRS may or may not send reports.)

Because some foreign shares trade at prices that are very low when converted into dollars, one ADR often represents several of the underlying shares in a company. For example, one ADR of ADT Ltd. is equal to ten common shares.

The earnings estimates for 1989 shown for the stocks below come courtesy of the Lynch, Jones & Ryan Institutional Brokers Estimate System international database. These forecasts reflect the opinions of Wall Street analysts and of people who follow these stocks in their home countries.

All prices and earnings data are based on recent exchange rates (June 21), whereas data for most of the other tables in the International Survey were converted into dollars at earlier exchange rates. Therefore, data on the same companies may show different values.

			Price	Price	Price	EPS	EPS		
				52-week	52-week			1988	
Exch	Company/business	Country	recent	high	low	1988	1989E	P/E	Yield
o	•**ADT Limited**/security svcs, building mgmt	Bermuda	28⅜	30	20⅝	$2.57	$2.99	11.0	4.6%
o	•**AEGON NV**/insurance	Netherlands	46	48⅜	37	5.12	5.48	9.0	2.1
o	•**Ajinomoto**/food & household prods	Japan	185	218¼	164¼	2.03E	2.22	NA	0.3
o	•**Akzo NV**/chemicals	Netherlands	34⅝	35½	32⅛	4.87	5.26	7.1	3.3
o	•**Asahi Glass**/glass, chemicals	Japan	166⅜	177½	124⅞	3.05	3.48	54.5	0.3
o	•**Asea AB**/electronics	Sweden	87½	87½	49¼	3.84	6.11	22.7	1.3
o	•**Attwoods Plc**/waste management	UK	39¼	39⅝	22	1.76	2.23	22.3	1.9
n	•**Barclays**/bank	UK	29	33⅜	21	6.05	6.11	4.8	6.1
a	•**B.A.T Industries**/tobacco, paper, foods	UK	10⅜	10⅝	7	1.08	1.18	9.6	3.7
o	•**Beecham Group**/drugs, food process	UK	20	22⅜	15	1.23E	1.42	16.3	2.9
n	•**Benguet**/gold & copper, machinery	Philippines	3⅞	4⅜	3¼	0.61	0.62	6.4	3.6
n	•**BET Plc**/multicompany	UK	17¾	19¼	14⅜	1.57E	1.75	11.3	6.0
o	•**Biogen NV**/biotechnology	Netherlands	12	15⅞	6	–0.05	–0.01	NM	NM
n	•**Blue Arrow Plc**/employment agency	UK	15⅜	22¾	14⅛	0.58	1.17	1.33	13.1
n	•**British Airways**/airline	UK	32¼	36½	24¾	3.66E	4.27	8.8	4.5
n	•**British Gas**/gas	UK	29⅞	34½	27⅝	3.29E	3.68	9.1	4.6
n	•**British Petroleum**/integrated oil	UK	55⅜	61⅝	48¼	4.13	5.18	13.4	7.0
n	•**British Steel**/steel	UK	12⅞	15⅛	11	4.24E	4.22	3.0	NM
n	•**British Telecommunications**/telecomm	UK	42⅞	52	37¾	4.15E	4.48	10.3	4.5
n	•**Broken Hill Proprietary**/steel, oil & gas	Australia	25⅞	27⅞	22⅜	2.29E	2.59	11.3	3.2

Prices as of June 21, 1989. a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter. •American Depositary Receipts. NM: Not meaningful. E: estimate.

Sources: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan; Forbes.

			Price			EPS			
				52-week				1988	
Exch	**Company**/business	Country	recent	high	low	1988	1989E	P/E	Yield
o	•**Buffelsfontein Gold Mining**/gold, uranium	South Africa	11⅜	17⅜	10⅛	$1.58	$0.65	7.2	12.7%
o	•**Burmah Oil**/oil	UK	36½	41	33⅝	3.40	3.70	10.7	4.0
o	•**Cadbury Schweppes**/food processing	UK	57½	75	53⅞	4.05	4.40	14.2	3.1
o	•**Canon**/office equip, optics	Japan	68⅛	68⅝	44⅜	2.31	2.52	29.5	0.6
o	•**Carlton Communications**/electronic comp	UK	26⅜	32⅛	20	1.49	2.05	17.7	1.1
n	**Commodore Intl**/computer equip	Bahamas	17⅝	19¾	9⅛	1.51	2.32	11.7	NM
a	•**Courtaulds**/textiles	UK	5⅛	6¼	4⅛	0.56E	0.60	9.2	5.3
o	•**DeBeers Cons Mines**/diamonds	South Africa	15⅛	15⅝	9⅝	2.11	2.39	7.2	4.2
o	•**Deutsche Bank**/bank	Germany	293⅝	297⅛	229¾	24.25	25.37	12.1	1.6
n	•**Dixons Group**/consumer electronics stores	UK	6¾	10½	6¾	0.58E	0.60	11.6	3.9
o	•**Dresdner Bank**/bank	Germany	167½	181⅜	127½	14.07E	14.70	11.9	2.2
o	•**Electrolux AB**/household appliances	Sweden	48⅛	52¾	35¼	5.70E	6.47	8.4	3.0
n	•**Empresa Natl Electric**/electric utility	Spain	18⅜	18⅜	12	2.00	2.48	9.2	1.9
n	•**FAI Insurance**/insurance, financial svcs	Australia	10¼	18¼	9¼	3.10	2.10	3.3	3.5
o	•**Fisons**/drugs	UK	17⅝	21⅜	15⅜	1.34	1.61	13.3	2.3
o	•**Fuji Photo Film**/photo products	Japan	55	62⅜	46	3.33	3.29	16.5	0.3
o	•**Fujitsu**/data processing, computer equip	Japan	54¾	68⅜	47¾	1.42E	1.74	38.5	0.5
n	•**Glaxo Holdings**/food, drugs, med equip	UK	21⅞	24⅛	15⅞	1.33E	1.62	16.4	2.6
n	•**Hanson Plc**/multicompany	UK	16	17⅛	11⅜	1.37	1.57	11.57	4.9
n	•**Hitachi**/electrical equipment	Japan	113¼	152¼	105¼	4.22E	4.77	26.8	0.5
n	•**Honda Motor**/autos, motorcycles	Japan	27	37½	24⅞	1.53E	1.66	17.6	0.6
n	•**Huntingdon Intl Hlds**/lab services	UK	18⅞	20¼	10	0.90	1.13	21.0	1.2
o	•**Hutchison Whampoa**/multicompany	Hong Kong	5⅞	8	5	0.49	0.73	12.0	4.4
n	•**Imperial Chemical Inds**/chemicals	UK	80⅝	86½	67	8.94	9.11	9.0	5.6
o	•**Instrumentarium**/health care equip	Finland	14¼	15⅝	11⅜	1.79	1.75	8.0	1.4
o	•**Ito Yokado**/superstores	Japan	108½	133⅛	100	3.91E	4.20	27.7	0.5
o	•**Jaguar**/automobiles	UK	5⅝	5⅞	4	0.27	0.39	20.8	3.7
o	•**Japan Air Lines**/airline	Japan	231⅝	277	186½	2.10E	2.47	NM	0.4
o	•**Kajima**/construction	Japan	140⅜	187⅞	86⅜	1.65E	1.95	NM	0.3
o	•**Kirin Brewery**/beverages	Japan	129	172½	123½	2.61	2.53	49.4	0.4
n	•**KLM Royal Dutch Airlines**/airline	Netherlands	23⅝	23⅝	15⅜	3.10E	3.53	7.6	3.2
o	•**Kloof Gold Mining**/gold mining	South Africa	8⅛	10	7⅜	0.34E	0.31	23.9	5.5
o	•**Komatsu**/heavy-duty equipment	Japan	178¼	203½	98¼	2.67E	3.46	66.8	0.6
n	•**Kyocera**/ceramics, electronics, optics	Japan	75	95¾	70¼	2.56E	2.81	29.3	0.8
o	•**LM Ericsson**/telecommunications	Sweden	83⅜	83¾	37⅞	3.85E	5.45	21.7	1.7
o	•**LVMH***/luxury goods	France	119½	154	78¾	4.89E	6.18	24.4	0.7
o	•**Makita Electric Works**/electrical tools	Japan	65¼	67¼	52¼	2.96	3.26	22.0	0.9
o	•**Marui**/department stores	Japan	38	44⅝	36¼	1.03E	1.19	36.9	0.7
n	•**Matsushita Elec Indl**/electronics	Japan	170	230	160⅜	7.36E	8.13	23.1	0.5
n	•**Montedison SPA**/chemicals	Italy	15⅜	16⅛	12¾	1.71	1.66	9.0	1.2

Prices as of June 21, 1989 a: American Stock Exchange n: New York Stock Exchange o: over the counter •American Depositary Receipts *Full name LVMH Moët Hennessy Louis Vuitton NM: Not meaningful E: estimate

Sources: *Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan; Forbes*

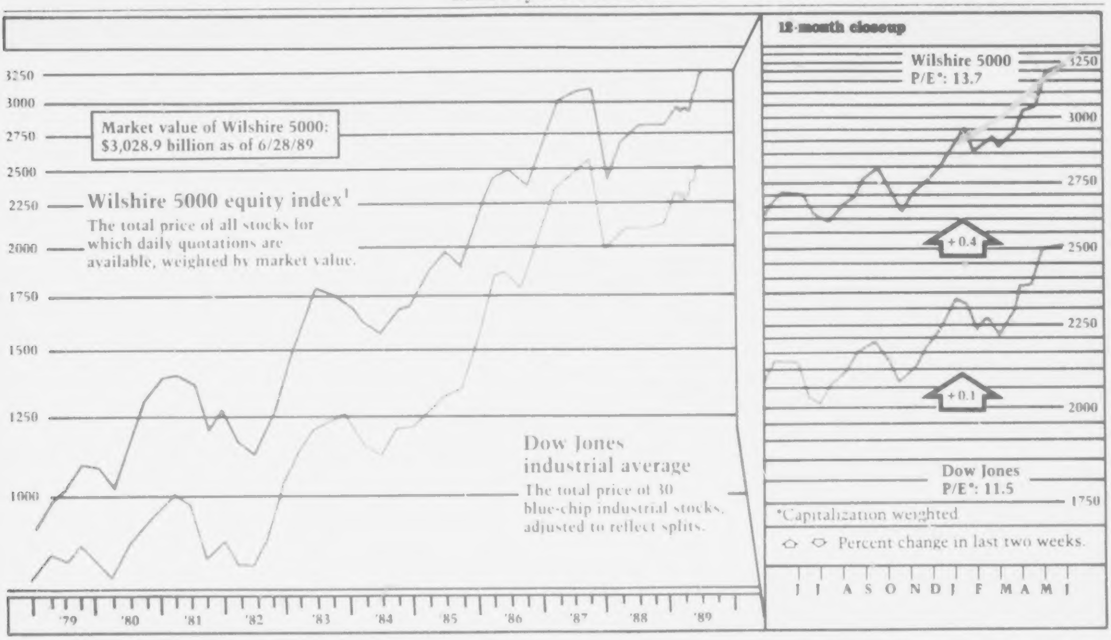
Exch	Company/business	Country	Price recent	Price 52-week high	Price 52-week low	EPS 1988	EPS 1989E	1988 P/E	Yield
n	●**Natl Australia**/bank	Australia	23¾	29	22¾	$2.90	$4.03	8.2	5.6%
n	●**Natl Westminster**/bank	UK	28	32¾	26¾	6.36	6.45	4.4	5.8
o	●**NEC**/telecomm equipment	Japan	68¾	88	62	1.40E	1.72	49.1	0.2
n	●**News Corp**/newspapers, broadcasting	Australia	24	25¾	15¼	2.29	2.71	10.5	0.6
o	●**Nissan Motor**/automobiles	Japan	20⅞	24¼	14½	0.52E	0.63	40.1	0.8
o	●**Norsk Data AS**/minicomputers	Norway	6⅛	9⅞	5	–0.77E	–0.02	NM	6.0
n	●**Norsk Hydro AS**/fertilizers, oil, gas, metals	Norway	22⅝	27¾	14⅜	2.54	3.17	8.9	2.0
n	●**Novo Nordisk AS***/chemicals	Denmark	46½	46¾	30¾	3.53	3.52	13.2	1.1
o	●**Pacific Dunlop**/multicompany	Australia	13⅞	15⅜	12⅛	1.00	1.41	13.9	3.5
o	●**Pharmacia AB**/chemicals	Sweden	20	26¼	17	1.28	1.73	15.6	1.0
n	●**Philips NV**/elec equip, electronics	Netherlands	18	19⅜	14⅜	1.89	2.03	9.5	4.6
n	●**Pioneer Electronics**/electronics	Japan	52⅛	60	44¼	1.86	2.10	28.0	0.7
n	●**Plessey**/telecommunications	UK	40½	45⅜	25	2.68	3.05	15.1	3.8
n	●**Racal Telecom**/mobil telecomm	UK	74¼	85¾	29½	0.87E	1.45	NM	NM
o	●**Rank Organisation**/leisure services, mfg	UK	15	16½	10⅝	1.25	1.56	12.0	3.3
o	●**Ratners Group**/jewelry	UK	11⅝	13⅝	8⅝	1.18E	1.39	9.9	6.4
o	●**Reuters Holdings**/intl news services	UK	38	40¾	23	1.66	2.28	22.9	1.3
o	●**Rhone Poulenc SA**/garden prods, chems	France	43¼	48½	29⅛	4.67E	5.62	9.3	2.3
n	●**Royal Dutch Petroleum**/integrated oil	Netherlands	61⅜	66½	52⅛	5.98	7.22	10.3	6.2
o	●**Rustenburg Platinum Hlds**/metal mining	South Africa	14½	16⅜	8⅛	.83	1.00	17.5	5.3
n	●**Saatchi & Saatchi**/advertising	UK	14¾	22½	13¼	2.30	1.68	6.4	7.0
o	●**Saint Helena Gold Mines**/gold	South Africa	7¼	9	6¼	0.83	0.38	8.7	14.1
o	●**Santos**/oil & gas	Australia	10½	14½	10⅜	0.81	1.07	13.0	5.8
o	●**Sanwa Bank**/bank	Japan	188⅛	224½	156½	4.06E	4.55	46.3	0.2
o	●**Sanyo Electric**/electronics	Japan	31⅛	35⅝	23⅝	0.13	0.39	NM	0.8
n	**Schlumberger**/oilfield svcs, electronics	Neth Antilles	38⅝	40⅞	30⅞	1.72	1.95	22.5	3.1
n	**Sea Containers**/maritime	Bermuda	72¼	74½	22¼	5.87	5.04	12.3	0.8
o	●**Sekisui Homes**/construction	Japan	137½	147⅜	108⅛	4.16	4.68	33.1	1.0
n	●**Shell Trans & Trading**/integrated oil	UK	38⅞	42⅝	32⅝	3.35	3.89	11.6	6.2
o	●**SKF AB**/bearings & steel prods	Sweden	22⅞	23¾	11¼	1.33E	1.83	17.2	8.3
n	●**Sony**/electronics	Japan	53⅞	59⅞	37¾	1.72E	2.11	31.3	0.5
n	**Syntex**/drugs	Panama	49⅜	54½	35	2.52	2.85	19.6	3.0
n	●**TDK**/audio and videotape	Japan	79	81	60	2.83	2.91	27.9	0.7
n	●**Telefónica de España**/telecommunications	Spain	24¼	25⅞	21⅜	1.75	2.15	13.9	4.5
o	●**Toyota Motor**/automobiles	Japan	38⅛	44⅞	34¼	1.70	1.82	22.5	0.6
n	●**Unilever NV**/multicompany	Neth Antilles	64¼	64⅞	49¾	5.22	5.88	12.3	3.3
o	●**United Newspapers**/publishing	UK	13½	16⅜	12¾	1.19E	1.28	11.3	5.9
o	●**Volvo AB**/automobiles	Sweden	65⅞	75¼	47⅜	10.65E	12.15	6.2	2.8
o	●**WCRS Group**/advertising	UK	9	9⅜	6¼	0.85E	0.96	10.6	1.7
o	●**WPP Group**/advertising	UK	22	26⅛	18¾	1.70E	2.33	12.9	3.2

Prices as of June 21, 1989. a: American Stock Exchange. n: New York Stock Exchange. o: over the counter. ● American Depositary Receipts. *Was Novo Industri AS. NM: Not meaningful. E: estimate.

Sources: Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan; Forbes.

The Forbes/Wilshire 5000 Review

Edited by Steve Kichen



Back to the starting line. Blue-chip stocks ran around in circles during the recent ten-day trading period. After gaining 50 points on June 23, the Dow lost 20 and 22 points on June 26 and 28, respectively, finishing the two weeks virtually unchanged. The overall market, as measured by the Wilshire, moved 0.4% higher.

Charles LaLoggia, editor of the *Special Situation Report*, is not bullish. He thinks we are already in a recession and surmises that current economic conditions are worse than those prior to the crash. LaLoggia, based in Rochester, N.Y., points to the weak housing and auto markets, the drop in the index of leading economic indicators and the contracting money supply. He says, "The same economists who are saying there will be no recession will, in the next four months, point back to the first quarter as the beginning of the recession." LaLoggia predicts that within the next 12 months the Dow will fall to 1700, or about where it was at the end of the crash.

Closeup On the Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[2]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	1.5	1.7	1.0	1.7	2.6	–0.3
in last 52 weeks	18.6	18.5	18.0	18.8	19.2	13.6

Stock performance based on six key investor yardsticks[3]

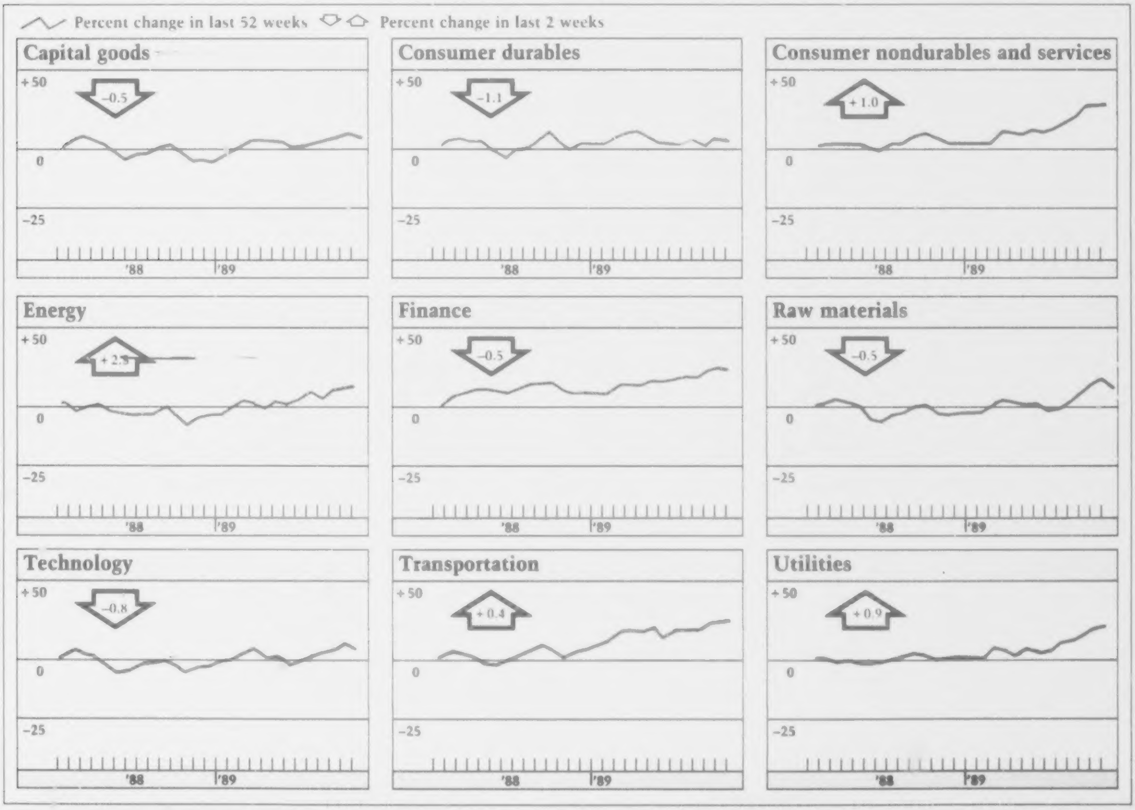
Percent change	Company size		Volatility[4]		P/E multiple		Dividend yield		Growth profile[5]		Share price	
	large	small	high	low	over 21	under 8	over 4.5%	none	high	low	over $34	under $5
in last 4 weeks	1.7	3.5	–0.9	1.6	–0.2	1.1	1.6	0.5	0.0	1.1	1.8	1.9
in last 52 weeks	20.5	25.4	10.2	11.2	24.9	13.2	5.5	20.1	14.2	15.1	23.0	8.8

[1] Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. [2] Based on sales. [3] Equal weighted indices containing all shares with market capitalizations over $10 million. [4] A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations, low-volatility issues are more stable. [5] A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 6/28/89. Prepared by Wilshire Associates, Santa Monica, Calif.

Where the Action Is

The appeal of oil service stocks. Given OPEC's recent harmony and the prospect of firmer oil prices, money managers tailored their portfolios for second-quarter reports by shifting funds into energy issues. As usual, it came at the expense of technology stocks. The energy sector advanced 2.5% in the last ten days. Oil service stocks, which are very sensitive to energy prices, were the main beneficiaries. Baker Hughes, Halliburton and Rowan each moved up more than 10%. The eight-year oil service shakeout has left fewer companies to prosper when the good times resume. PaineWebber's James Carroll is bullish on Schlumberger, Baker Hughes, Rowan and Odeco. He advises avoiding the more speculative ones like Tidewater and Smith International.



What the Analysts Think

Technology blackout. Analysts continue to forecast lower earnings for the technology sector. One exception was Amgen; analysts raised 1989 earnings estimates for the biotech company 12%, to 73 cents. Amgen recently received approval to market Epogen, its anti-anemia drug. Caution: it trades at a lofty 62 times estimated earnings.

Forecasting the Forbes Sales 500

Performance period	Average earnings per share	P/E
latest 12 months	$3.34	13.1
1989 estimates	3.77	11.6
1990 estimates	4.11	10.6

Rank based on change in estimate	Sector	Estimated 1989 EPS	Estimated 1989 P/E	% change in 1989 estimate in 2 weeks	% change in 1989 estimate in 4 weeks
1	Energy	$3.33	12.0	0.59 %	1.37%
2	Utilities	3.02	11.9	−0.08	−0.21
3	Capital goods	2.99	13.3	−0.09	−0.24
4	Consumer nondurables	2.60	15.4	−0.34	−0.45
5	Raw materials	3.41	9.6	−0.36	−0.51
6	Consumer durables	3.49	10.9	−0.38	−1.04
7	Transportation	2.75	11.5	−0.49	−1.74
8	Finance	3.49	9.7	−0.53	−0.82
9	Technology	3.08	11.9	−0.91	−1.78

Earnings projections are capitalization-weighted consensus estimates from over 3,000 security analysts. Data are compiled and updated continually by the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan, a New York-based brokerage firm.

Note: All data for periods ending 6/28/89. Prepared by Wilshire Associates, Santa Monica, Calif., IBES, a service of Lynch, Jones & Ryan, New York.